Table of Contents

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

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

For the fiscal year ended December 31, 2023

OR

☐ **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: 001-36721

Coherus BioSciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-3615821**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
333 Twin Dolphin Drive, Suite 600 **Redwood City, California 94065** **(Address of principal executive offices)**	**94065** **(Zip Code)**

(650) 649-3530
(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.0001 par value per share	CHRS	The Nasdaq Global Market

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. 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 than 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). 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 registrant's common stock, held by non-affiliates of the registrant as of June 30, 2023 (which is the last business day of registrant's most recently completed second fiscal quarter) based upon the closing market price of such stock on the Nasdaq Global Market on that date, was $324,137,955. For purposes of this disclosure, shares of common stock held by each officer and director have been excluded in that such persons may be deemed to be "affiliates" as that term is defined under the Rules and Regulations of the Securities Exchange Act of 1934, as amended. This determination of affiliate status is not necessarily conclusive.

The number of shares of the registrant's common stock issued and outstanding as of February 29, 2024 was 112,714,488.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this annual report on Form 10-K incorporates by reference certain information from the registrant's definitive proxy statement for the 2024 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year ended December 31, 2023.

COHERUS BIOSCIENCES, INC.
ANNUAL REPORT ON FORM 10-K
TABLE OF CONTENTS

As used in this Annual Report on Form 10-K, unless the context requires otherwise, references to "Coherus," the "Company," "we," "us," and "our," and similar references refer to Coherus BioSciences, Inc. and its wholly owned subsidiaries.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any statements that are not statements of historical facts contained in this Annual Report on Form 10-K may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by words such as "aim," "anticipate," "assume," "attempt," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "seek," "should," "strive," "target," "will," "would" *and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:*

- *whether we will be able to continue to maintain or increase sales for our products;*
- *our expectations regarding our ability to develop and commercialize our product candidates in the United States and Canada;*
- *our ability to maintain regulatory approval for our products and our ability to obtain and maintain regulatory approval of our product candidates, if and when approved;*
- *our expectations regarding government and third-party payer coverage and reimbursement;*
- *our ability to manufacture our product candidates in conformity with regulatory requirements and to scale up manufacturing capacity of these products for commercial supply;*
- *our reliance on third-party contract manufacturers to supply our product candidates and products for us;*
- *our expectations regarding the potential market size and the size of the patient populations for our products and product candidates, if approved for commercial use;*
- *our expectations about making required future interest and principal payments as they become due in connection with our debt obligations;*
- *our financial performance, including, but not limited to, projected future performance of our gross margins, research and development expenses and selling and general administrative expenses;*
- *the implementation of strategic plans for our business, products and product candidates;*
- *the initiation, timing, progress and results of future preclinical and clinical studies and our research and development programs;*
- *the scope of protection we are able to establish and maintain for intellectual property rights covering our products and product candidates;*
- *our expectations regarding the scope or enforceability of third-party intellectual property rights, or the applicability of such rights to our products and product candidates;*
- *the cost, timing and outcomes of litigation involving our products and product candidates;*
- *our reliance on third-party contract research organizations to conduct clinical trials of our product candidates;*
- *the benefits of the use of our products and product candidates;*
- *the rate and degree of market acceptance of our current or any future products product candidates;*

- *our ability to compete with companies currently producing competitor products, including Neulasta and Humira and other biosimilar products made by other companies;*

- *developments and projections relating to our competitors, our market opportunity and our industry; and*

- *the potential impact of COVID-19 and the continuation of the war in Ukraine and conflicts in the Middle East on our business and prospects.*

We have based these *forward-looking statements on our current expectations about future events. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Our actual results may differ materially from those suggested by these forward-looking statements for various reasons, including those identified in Part I, Item 1A of this Annual Report on Form 10-K under the heading "Risk Factors." Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements included in this report are made only as of the date hereof. Except as required under federal securities laws and the rules and regulations of the Securities and Exchange Commission ("SEC"), we do not undertake, and specifically decline, any obligation to update any of these statements or to publicly announce the results of any revisions to any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions or otherwise.*

This Annual Report on Form 10-K also contains estimates, projections, market opportunity estimates and other information concerning our industry, our business, and the markets for certain diseases, including data regarding the estimated size of those markets, and the incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, publicly filed reports and similar sources.

PART I

Item 1. ***Business***

Overview

We are a commercial-stage biopharmaceutical company focused on the research, development and commercialization of innovative cancer treatments and the commercialization of our portfolio of United States Food and Drug Administration ("FDA")-approved oncology products, including LOQTORZI® (toripalimab-tpzi). Our strategy is to build a leading immuno-oncology business funded with cash generated from our diversified portfolio of FDA-approved therapeutics.

As of March 15, 2024, our commercial portfolio includes two FDA-approved biosimilar products. Our first product, UDENYCA®, a biosimilar to Neulasta, a long-acting G-CSF, was launched commercially in the United States in January 2019. The FDA approved the prior approval supplement ("PAS") for an autoinjector ("AI") presentation of UDENYCA on March 3, 2023, and on May 22, 2023 we announced the availability of UDENYCA AI for commercial sale. On December 26, 2023 we announced that the FDA approved the PAS for our third pegfilgrastim presentation, the UDENYCA® on-body injector ("UDENYCA ONBODY"). UDENYCA ONBODY became commercially available in the first quarter of 2024. Our second product, YUSIMRY® (adalimumab-aqvh), a biosimilar to Humira (adalimumab), was launched in the United States in July 2023. Another product, CIMERLI® (ranibizumab-eqrn), was approved by the FDA in August 2022 as a biosimilar product interchangeable with Lucentis (ranibizumab injection) for the treatment of neovascular (wet) age-related macular degeneration, macular edema following retinal vein occlusion, diabetic macular edema, diabetic retinopathy, and myopic choroidal neovascularization. We launched CIMERLI commercially in the United States in October 2022. On January 19, 2024, we entered into a Purchase and Sale Agreement (the "Purchase Agreement") by and between us and Sandoz Inc., a Delaware corporation ("Sandoz"). Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz (the "Sale Transaction") for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

Our commercial portfolio includes LOQTORZI, a novel PD-1 inhibitor that we developed in collaboration with Shanghai Junshi Biosciences Co., Ltd. ("Junshi Biosciences"). On October 27, 2023, we announced that LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced nasopharyngeal carcinoma ("NPC"), and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. We announced the launch of LOQTORZI in the U.S. on January 2, 2024.

We also have a pipeline of earlier stage clinical and preclinical immuno-oncology programs. On September 8, 2023, we acquired Surface Oncology, Inc. ("Surface") and took ownership of its assets, including its portfolio of product candidates. The lead clinical stage product candidate from our acquisition of Surface (the "Surface Acquisition") is casdozokitug (CHS-388, formerly SRF388), an investigational antibody targeting interleukin 27 ("IL-27"), an immune regulatory cytokine, or protein that is overexpressed in certain cancers, including hepatocellular, lung and renal cell carcinoma. IL-27 is a cytokine secreted by macrophages and antigen presenting cells that plays an important physiologic role in suppressing the immune system, as evidenced by its ability to resolve tissue inflammation. In addition, both IL-27 subunits, EBI3 and p28, are highly expressed during pregnancy in the placenta and their expression is associated with maternal-fetal tolerance. Due to its immunosuppressive nature, there is a rationale for inhibiting IL-27 to treat cancer, as this approach will influence the activity of multiple types of immune cells that are necessary to recognize and attack a tumor. Casdozokitug received orphan drug designation and fast track designation from the FDA for the treatment of hepatocellular carcinoma ("HCC") in November 2020.

Casdozokitug is currently in two on-going clinical studies, a Phase 1/2 study in patients with advanced solid tumors (clinicaltrials.gov identifier# NCT04374877) and a Phase 2 study in HCC (clinicaltrials.gov identifier# NCT05359861). Our second clinical-stage product candidate from the Surface Acquisition, CHS-114 (formerly SRF114), is an investigational afucosylated immunoglobulin isotype G1 ("IgG1") antibody targeting CCR8, a chemokine receptor highly expressed on regulatory T cells ("Treg cells") in the tumor microenvironment ("TME"). CHS-114 is designed to cause depletion of intra-tumoral CCR8 expressing Treg cells, important regulators of immune suppression, through antibody-dependent cellular cytotoxicity ("ADCC"), or antibody-dependent cellular phagocytosis ("ADCP"), or both, and CCR8 cytolytic antibodies have shown anti-tumor activity in preclinical cancer models. We are enrolling patients with advanced solid tumors in North America in a clinical trial evaluating safety and pharmacokinetics of CHS-114 (clinicaltrials.gov identifier# NCT05635643). We are also pursuing an early-stage development candidate that is in investigational new drug application-enabling studies, CHS-1000, an antibody targeting human ILT4, designed to improve anti-PD-1 clinical benefit by transforming an unfavorable TME to a more favorable TME.

In addition to our internally developed portfolio of product candidates that we obtained in the Surface Acquisition, we also own two product candidates, NZV930 and GSK4381562, which are exclusively licensed to Novartis Institutes for Biomedical Research, Inc. ("Novartis Institutes") and GlaxoSmithKline Intellectual Property No. 4 Limited ("GSK"), respectively. We will pay 70% of all milestone- and royalty-based payments that we or our affiliates actually receive from the product candidates licensed to Novartis Institutes and GSK during the ten-year period following the entry into the Contingent Value Rights Agreement, dated September 8, 2023, by and among us and Computershare Inc. and its affiliate Computershare Trust Company, N.A., together, as the rights agent thereunder (the "CVR Agreement") to the holders of contingent value rights ("CVRs").

Products and Product Candidates

Our portfolio includes the following products and product candidates:

Oncology

- UDENYCA, a biosimilar to Neulasta, a long-acting G-CSF, was launched commercially in the United States in January 2019. The FDA approved the PAS for an AI presentation of UDENYCA on March 3, 2023, and on May 22, 2023 we announced the availability of UDENYCA AI for commercial sale. We announced on December 26, 2023 that the FDA approved the PAS for our third pegfilgrastim presentation, UDENYCA ONBODY™, the first and only pegfilgrastim biosimilar on-body injector novel in its design. UDENYCA ONBODY became commercially available in the first quarter of 2024.

- LOQTORZI was developed for its ability to block PD-1 interactions with its ligands, PD-L1 and PD-L2, by binding to the FG loop on the PD-1 receptor. We believe blocking PD-1 interactions with PD-L1 and PD-L2 can help to promote the immune system's ability to attack and kill tumor cells.

  On October 27, 2023, we announced that LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. LOQTORZI is an anti-PD-1 antibody that we developed in collaboration with Junshi Biosciences. We announced the launch of LOQTORZI in the U.S. on January 2, 2024.

  On December 11, 2023 we announced that the National Comprehensive Cancer Network ("NCCN") updated the clinical practice guidelines for NPC to include LOQTORZI as a preferred, category 1 first-line treatment option for adults with metastatic or recurrent locally advanced NPC when used in combination with cisplatin and gemcitabine. The guidelines also recommend LOQTORZI monotherapy as the only preferred treatment in subsequent lines of therapy if disease progression on or after a platinum-containing therapy.

- Casdozokitug (CHS-388, formerly SRF388), is an investigational recombinant human IgG1 monoclonal antibody targeting IL-27, an immune regulatory cytokine, or protein that is overexpressed in certain cancers, including hepatocellular, lung and renal cell carcinoma. IL-27 is a cytokine secreted by macrophages and antigen presenting cells that plays an important physiologic role in suppressing the immune system, as evidenced by its ability to resolve tissue inflammation. In addition, IL-27 is highly expressed during pregnancy and its expression is correlated with maternal-fetal tolerance. Due to its immune regulatory nature, there is a rationale for inhibiting IL-27 to treat cancer, as this approach will influence the activity of multiple types of immune cells that are necessary to recognize and attack a tumor. Casdozokitug received orphan drug designation and fast track designation from the FDA for the treatment of HCC in November 2020. Casdozokitug is currently in two on-going clinical studies, a Phase 1/2 study in advanced solid tumors (clinicaltrials.gov identifier# NCT04374877) and a Phase 2 study in HCC (clinicaltrials.gov identifier# NCT05359861).

- CHS-114 (formerly SRF114), is an investigational highly specific human afucosylated IgG1 monoclonal antibody selectively targeting CCR8, a chemokine receptor highly expressed on Treg cells in the TME. CHS-114 is designed as a cytolytic antibody to cause depletion of intra-tumoral Treg cells, important regulators of immune suppression and tolerance, through ADCC, or ADCP or both. CHS-114 has shown anti-tumor activity as monotherapy or in combination with anti-PD-1 antibodies in preclinical models. We are enrolling patients with advanced solid tumors in North America in a clinical trial evaluating safety and pharmacokinetics of CHS-114 (clinicaltrials.gov identifier# NCT05635643).

- We are pursuing a development candidate, CHS-1000, an antibody targeting human ILT4, designed to improve anti-PD-1 clinical benefit by transforming an unfavorable TME to a more favorable TME. We plan to submit an investigational new drug application ("IND") to the FDA in the second quarter of 2024 for CHS-1000.

- In addition to our internally developed portfolio of product candidates that we obtained in the Surface Acquisition, we also own NZV930 and GSK4381562, which are exclusively licensed to Novartis Institutes and GSK, respectively. NZV930 is an antibody designed to inhibit CD73, which is a critical enzyme involved in the production of extracellular adenosine, a key metabolite with strong immunosuppressive properties within the TME. NZV930 aims to reduce the production of immunosuppressive adenosine within the TME. GSK4381562 is an antibody targeting CD112R, also known as PVRIG, an inhibitory protein expressed on natural killer ("NK") and T cells. GSK4381562 is designed to block the interaction of CD112R with CD112, its binding partner that is expressed on tumor cells. GSK4381562 is designed to promote the activation of both NK and T cells, with potential to elicit a strong anti-tumor response and promote immunological memory. We will pay 70% of all milestone- and royalty-based payments that we or our affiliates receive from the product candidates licensed to Novartis Institutes and GSK during the ten-year period following the entry into the CVR Agreement to the holders of the CVRs.

Immunology

- YUSIMRY, a biosimilar of Humira (adalimumab), is a monoclonal antibody that can bind to tumor necrosis factor ("TNF"). YUSIMRY provides certain therapeutic benefits for treatment of patients with certain inflammatory diseases characterized by increased production of TNF in the body, including rheumatoid arthritis, juvenile idiopathic arthritis, psoriatic arthritis, ankylosing spondylitis, Crohn's disease, psoriasis and ulcerative colitis. In December 2021, the FDA approved YUSIMRY, which we launched in the United States in July 2023. The list price of YUSIMRY at launch represented an approximately 85% discount to the list price of Humira. YUSIMRY is now available for sale nationwide through select retail, mail order, and specialty pharmacy channels, including Mark Cuban Cost Plus Drug Company, PBC.

Ophthalmology – Sold to Sandoz pursuant to the Sale Transaction

- CIMERLI is a Lucentis biosimilar. On November 4, 2019, we entered into a license agreement (the "Bioeq Agreement") with Bioeq IP AG ("Bioeq") for the commercialization of CIMERLI in certain dosage forms in both a vial and pre-filled syringe ("PFS") presentation. Under the Bioeq Agreement, Bioeq granted to us an exclusive royalty-bearing license to commercialize CIMERLI in the field of ophthalmology (and any other approved labelled indication) in the United States.

  On August 2, 2022, the FDA approved CIMERLI as a biosimilar product interchangeable with Lucentis for the treatment of neovascular (wet) age-related macular degeneration, macular edema following retinal vein occlusion, diabetic macular edema, diabetic retinopathy, and myopic choroidal neovascularization. The FDA also granted CIMERLI 12 months of first interchangeable exclusivity. On October 3, 2022, we launched CIMERLI commercially in the United States in both 0.3 mg and 0.5 mg dosage forms.

  On January 19, 2024, we entered into the Purchase Agreement by and between us and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

Oncology Franchise Market Opportunity

LOQTORZI Opportunity

According to Clarivate/Decision Resource Group, the Squamous Cell Carcinoma of the Head and Neck ("SCCHN") therapy market was expected to increase 9% annually over the 2022-2032 forecast period. In 2022, sales of SCCHN therapies in the major pharmaceutical markets under study (United States, France, Germany, Italy, Spain, United Kingdom, and Japan) totaled $1.5 billion, and sales were expected to increase to almost $3.5 billion in 2032. Fueling this growth are the continued uptake of pembrolizumab in the recurrent or metastatic first-line setting, its label expansion into the locoregionally advanced setting, and the expected approval of four new therapies.

PD-1 inhibitors are expected to be the sales-leading drug class in 2032, garnering major-market sales of over $1.7 billion, and we expect these agents to be approved for both non-nasopharyngeal and nasopharyngeal drug-treatable patient populations. By the end of 2032, we expect them to be prescribed mostly in the large and commercially lucrative locoregionally advanced and recurrent or metastatic first-line setting.

Immuno-oncology agents, and the PD-1/PD-L1 class in particular, have shifted the treatment paradigm across a broad range of tumors, and across the continuum of cancer settings (metastatic to early stage). Clinical adoption of PD-1/PD-L1 therapies has been driven by the proven versatility of certain therapies within the class to be used as a monotherapy, as well as combination therapy with targeted agents such as tyrosine kinase inhibitors, chemotherapy, or other immunotherapy agents to achieve durable tumor responses and improved survival benefits, with acceptable toxicity profiles. The improved safety profile observed for approved PD-L1 therapies versus chemotherapy enables these therapies to be used as a backbone therapy in a broad array of combination regimens.

On October 27, 2023, we announced that LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced nasopharyngeal carcinoma (NPC), and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. LOQTORZI is an anti-PD-1 antibody that we developed in collaboration with Junshi Biosciences. We announced the launch of LOQTORZI in the U.S. on January 2, 2024.

LOQTORZI is a next-generation programmed death receptor-1 (“PD-1”) monoclonal antibody that blocks PD-1 ligands PD-L1 and PD-L2 with high potency at a unique site on the PD-1 receptor, enabling the immune system to activate and kill the tumor.

NPC is a type of aggressive cancer that starts in the nasopharynx, the upper part of the throat behind the nose and near the base of the skull. NPC is rare in the United States, with an annual incidence of fewer than one per 100,000 people. The five-year survival rate for all patients diagnosed with NPC is approximately 60%, however, those who are diagnosed with advanced disease have a five-year survival rate of approximately 49%.

Due to the location of the primary tumor, surgery is rarely an option, and, before the launch of LOQTORZI, patients with localized disease were treated primarily with radiation and chemotherapy. Patients treated with chemotherapy alone experience poor prognosis: only 20% experience one-year progression-free survival; up to 50% developed distant metastasis during their disease course; and low median overall survival (“OS”) of 29 months.

Based on SEER and DRG models, we estimate that the annual drug-treatable population in the United States for NPC is approximately 2,000 patients annually. Of this group, 60% have relapsed/metastatic disease and would be candidates for LOQTORZI. 40% have localized disease that can progress to relapsed/metastatic within a 12-24 month timeframe.

On Dec. 11, 2023 we announced that the NCCN updated the clinical practice guidelines for NPC to include LOQTORZI as a preferred, category 1 first-line treatment option for adults with metastatic or recurrent locally advanced NPC when used in combination with cisplatin and gemcitabine. The guidelines also recommend LOQTORZI monotherapy as the only preferred treatment in subsequent lines of therapy if disease progression on or after a platinum-containing therapy.

The NCCN recommendations were based on results of the JUPITER-02 Phase 3 study and the POLARIS-02 Phase 2 study. In the JUPITER-02 Phase 3 study, LOQTORZI combined with chemotherapy significantly improved progression-free survival, reducing the risk of disease progression or death by 48% compared to chemotherapy alone. LOQTORZI also demonstrated a statistically significant and clinically meaningful improvement in OS, with treatment resulting in a 37% reduction in the risk of death versus chemotherapy alone. In the POLARIS-02 clinical study, LOQTORZI demonstrated durable anti-tumor activity in patients with recurrent or metastatic NPC who failed previous chemotherapy, with an objective response rate of 20.5%, a disease control rate of 40%, and a median OS of 17.4 months with an acceptable safety profile.

LOQTORZI is the first FDA-approved therapy for NPC, and we believe could represent a new standard of care for treating the disease when used in combination with cisplatin and gemcitabine in the first line setting or as monotherapy in the second line or greater setting. On November 27, 2023, we announced that we established a wholesale acquisition cost for LOQTORZI of $8,892.03 per single-use vial.

UDENYCA Biosimilar

We initiated United States sales of UDENYCA in January 2019, and in 2023 we recorded UDENYCA net product sales of $127.1 million. UDENYCA is currently approved by the FDA in both PFS and AI presentation, and as we announced on December 26, 2023, the FDA approved the PAS for our third pegfilgrastim presentation, UDENYCA ONBODY. UDENYCA ONBODY became commercially available in the first quarter of 2024.

PFS products currently account for approximately 56% of the overall pegfilgrastim market, which annually comprises sales of approximately 1.4 million units. Prior to the launch of UDENYCA ONBODY, approximately 43% of the remaining market was held by Neulasta Onpro®, an on-body presentation of pegfilgrastim owned by Amgen Inc. and Amgen USA Inc. (collectively "Amgen"). UDENYCA ONBODY could potentially expand the UDENYCA market opportunity into a portion of the market held by Neulasta Onpro.

Immunology Franchise Market Opportunity

YUSIMRY

In 2023, Humira revenue in the United States was approximately $12.2 billion. In December 2021, the FDA approved YUSIMRY, which we launched in the United States in July 2023. The list price of YUSIMRY at launch represented an approximately 85% discount to the list price of Humira. This pricing strategy provides physicians, patients, payers, and employers with access to low-cost, high-quality, safe and effective treatment. YUSIMRY Solutions™—our patient services platform—facilitates improved access and fast and seamless experience as patients start or switch to YUSIMRY based on a determination by their healthcare provider.

YUSIMRY is now available for sale nationwide through select retail, mail order, and specialty pharmacy channels and was the first biologic offered by Mark Cuban Cost Plus Drug Company, PBC.

For our commercial strategy with YUSIMRY, we believe that payor coverage policies and formularies dictate provider access to both Humira and adalimumab biosimilars and that a combination of factors influence formulary decision making. With the implementation of the Inflation Reduction Act of 2022 (the "IRA"), in 2025 the Part D benefit will be restructured and liability for all Part D plans will significantly increase. This change in liability will shift plan costs into Part D plan bids, as opposed to costs being primarily paid through reinsurance, as is the case under the benefit today. Therefore, Part D plans may re-structure formularies to include products with low WAC prices, creating potential opportunity for YUSIMRY in 2025 to achieve broader payer coverage.

Ophthalmology Franchise – Sold to Sandoz pursuant to the Sale Transaction

CIMERLI

On August 2, 2022, the FDA approved CIMERLI as a biosimilar product interchangeable with Lucentis for the treatment of neovascular (wet) age-related macular degeneration, macular edema following retinal vein occlusion, diabetic macular edema, diabetic retinopathy, and myopic choroidal neovascularization. On October 3, 2022, we launched CIMERLI commercially in the United States in both 0.3 mg and 0.5 mg dosage forms.

On January 19, 2024, we entered into the Purchase Agreement by and between us and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

Sales and Marketing

Our strategy is to build a leading immuno-oncology franchise funded with cash generated from our diversified portfolio of FDA-approved therapeutics.

Following the FDA approval of LOQTORZI for NPC, the commercial launch commenced in January 2024 with our existing Oncology commercial and medical affairs teams. There are approximately 2,200 Oncologists that treat 80% of patients in the United States with NPC and 90% of these physicians practice in existing UDENYCA accounts creating significant synergies in our commercial execution. Our

Oncology commercial team was built to scale and meet the needs of our existing Oncology portfolio, as well as new indications for LOQTORZI that could come in the future, pending FDA approval.

In addition to the field facing teams, Coherus has a team of strategic account managers that support the portfolio of products and work directly with the largest accounts including group purchasing organizations, integrated delivery networks, and large clinic customers.

We have an experienced market access and patient services team that support the portfolio of Coherus' products. This team is responsible for negotiating payer coverage with national and regional health plans and pension benefit managers (via a team of National Account Directors), servicing account specific questions regarding the billing, coding and reimbursement of Coherus' products (via a team of Field Reimbursement Managers), and managing our Coherus Solutions patient services hub which provides product specific coverage, reimbursement and co-pay support for patients and providers.

For a discussion of risks related to sales and marketing, please see "Risk Factors—Risks Related to Launch and Commercialization of our Products and our Product Candidates."

Manufacturing

We have entered into agreements with several contract manufacturing organizations ("CMOs") for the manufacture and clinical drug supply of our commercial products and product candidates. We continue to screen other contract manufacturers to meet our clinical, commercial and regulatory supply requirements on a product-by-product basis. We have and may be required again to take inventory write-downs and incur other charges and expenses for products that are manufactured in reliance on a forecast that proves to be inaccurate because we do not sell as many units as forecasted. For example, during the fourth quarter of 2023, we recorded a $47.0 million charge for the write-down of slow moving YUSIMRY inventory and the related partial recognition of certain firm purchase commitments. For a discussion of risks related to our sources and availability of supplies, please see "Risk Factors—Risks Related to Our Ability to Hire and Retain Highly Qualified Personnel" and "Risk Factors—Risks Related to Manufacturing and Supply Chain."

Competition

While we believe that our biologics platform, knowledge, experience and scientific resources provide us with competitive advantages, we face competition from many different sources. We operate in a highly competitive environment. Such competition includes larger and better-funded pharmaceutical, generic pharmaceutical, specialty pharmaceutical and biotechnology companies commercializing and developing immuno-oncology and biosimilar products that would compete with our products and the product candidates in our pipeline.

LOQTORZI, following its recent launch, faces a competitive market in the United States where a number of anti-PD-1 or PD-L1 antibody drugs have been approved by the FDA including the following marketed products from several competitors: Keytruda® (pembrolizumab) from Merck & Company, Inc. ("Merck"), Opdivo® (nivolumab) from Bristol-Myers Squibb Company ("BMS"), Tecentriq® (atezolizumab) from Genentech, Inc. ("Genentech"), Imfinzi® (durvalumab) from AstraZeneca plc ("AstraZeneca"), Bavencio® (avelumab) from EMD Serono Inc. and Pfizer Inc. ("Pfizer"), Libtayo® (cemiplimab-rwlc) from Regeneron Pharmaceuticals, Inc. ("Regeneron") and Sanofi S.A. ("Sanofi"), and Jemperli (dostarlimab-gxly) from GlaxoSmithKline plc ("GlaxoSmithKline"). In addition to LOQTORZI, multiple other competitors are seeking to develop and approve novel anti-PD-1 or PD-L1 antibody drugs in the United States in the coming years, including but not limited to BeiGene, Ltd. (in collaboration with Novartis International AG ("Novartis")). As the only immunotherapy approved by the FDA for the treatment of NPC, we believe LOQTORZI addresses a potentially high unmet need.

CHS-114, if approved, faces competition from programs in development specifically targeting CCR8, including those by BMS, Gilead/Jounce, Shionogi, AbbVie, Bayer, LaNova and Immunophage.

UDENYCA faces competition in the United States from Amgen, Viatris Inc. ("Viatris"), Sandoz, Pfizer and Spectrum Pharmaceuticals, Inc. ("Spectrum"), and also faces competition from Amneal Pharmaceuticals, Inc. ("Amneal") and Fresenius Medical Care AG & Co. KGaA ("Fresenius"), each of which has announced the approval of a pegfilgrastim biosimilar and have launched their products for sale in the United States.

YUSIMRY faces competition in the United States from AbbVie (the holder of rights to Humira), Amgen (Amjevita™ (adalimumab-atto)), Sandoz (Hyrimoz™ (adalimumab-adaz)), Samsung Bioepis (Hadlima™ (adalimumab-bwwd)), Pfizer (Abrilada™ (adalimumab-afzb)), Boehringer Ingelheim GmbH ("Boehringer Ingelheim") (Cyltezo™ (adalimumab-adbm)) as well as Viatris / Biocon ("Biocon") (Hulio® (adalimumab-fkjp)), Alvotech Holdings S.A. and Fresenius, each a company that has disclosed development plans for a Humira biosimilar

candidate. As a result of continued expected competition from Humira and a large number of potential adalimumab (Humira) biosimilar competitors, we may not be able to achieve substantial topline sales for YUSIMRY in the United States.

We expect any products that we develop and commercialize directly or with partners to compete on the basis of, among other things, price and the availability of reimbursement from government and other third-party payers. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. For a discussion of risks related to our competition, please see "Risk Factors—Risks Related to Competitive Activity."

Collaboration and License Agreements

Distribution Agreement with Orox Pharmaceuticals B.V. ("Orox")

In December 2012, we entered into a distribution agreement with Orox, for the commercialization of biosimilar versions of our internally developed biosimilars. Under this agreement, we granted to Orox an exclusive license to commercialize UDENYCA in Latin America, except Brazil and Argentina, and YUSIMRY and CHS-0214 (our etanercept (Enbrel®) biosimilar candidate, for which we discontinued development in 2020) in Latin America, except Brazil. Under this agreement, Orox has an option, exercisable within a defined time period, to obtain an exclusive license to commercialize certain additional biosimilar products in the same field and territory. We are obligated to manufacture and supply licensed products to Orox.

We are obligated to develop licensed products and achieve regulatory approval for such products outside of the Caribbean and Latin American countries covered by the agreement by specified dates in order to support Orox's activities under the agreement in its licensed territory. We are eligible to receive from Orox a share of gross profits in the low twenty percent range from the sale of licensed products, on a product-by-product basis.

Our agreement with Orox will expire on a product-by-product and country-by-country basis ten years after regulatory approval of such product in such country, subject to automatic three-year extensions unless Orox notifies us in writing at least 18 months in advance of the date upon which the term would otherwise expire that it does not wish to extend the term for such product in such country. Either party may terminate the agreement for material breach by the other party that is not cured within a specified time period. Orox may terminate the Agreement for convenience on a product-by-product basis at any time upon 12-months prior written notice. Each party may terminate the agreement upon bankruptcy or insolvency of the other party, and we may terminate the agreement immediately upon written notice to Orox if Orox challenges the licensed patents or commits a breach of specified provisions of the agreement.

Settlement and License Agreements with AbbVie

In January 2019, we entered into three settlement and license agreements with AbbVie that grant Coherus global, royalty-bearing, non-exclusive license rights under AbbVie's intellectual property to commercialize YUSIMRY. The global settlements resolve all pending disputes between the parties related to YUSIMRY. Under the United States settlement, our license period in the United States commenced on July 1, 2023.

Settlement and License Agreements with Pfizer

In October 2019, we entered into a license and settlement agreement with Pfizer relating to Coherus' patents and applications for patents directed to Humira (adalimumab) formulations.

License Agreement with Bioeq

In November 2019, we entered into the Bioeq Agreement with Bioeq for the commercialization of a biosimilar version of ranibizumab (Lucentis) in certain dosage forms in both a vial and pre-filled syringe presentation (the "Bioeq Licensed Products"). Under this agreement, Bioeq granted to us an exclusive, royalty-bearing license to commercialize the Bioeq Licensed Products in the field of ophthalmology (and any other approved labelled indication) in the United States. Bioeq will supply us the Bioeq Licensed Products in accordance with terms and conditions specified in the agreement and a manufacturing and supply agreement to be executed by the parties in accordance therewith.

Under the Bioeq Agreement, Bioeq must use commercially reasonable efforts to develop and obtain regulatory approval of the Bioeq Licensed Products in the United States in accordance with a development and manufacturing plan, and we must use commercially

reasonable efforts to commercialize the Bioeq Licensed Products in accordance with a commercialization plan. Bioeq will manufacture and supply the Bioeq Licensed Products to us in accordance with terms and conditions specified in the Bioeq Agreement and a manufacturing and supply agreement between us and Bioeq dated as of September 29, 2022 (the "Bioeq Manufacturing Agreement"). The Bioeq Manufacturing Agreement will remain in force until the first to occur of the following: (1) the termination of the Bioeq Agreement; (2) the exercise of a right to termination by us or Bioeq for a material breach of the other party that is not cured in accordance with the Bioeq Manufacturing Agreement; and (3) the exercise of a right to termination by Bioeq if invoices are not paid in full in accordance with the Bioeq Manufacturing Agreement. Additionally, we must commit certain post-launch resources to the commercialization of the Bioeq Licensed Products for a limited time as specified in the Bioeq Agreement. The development, manufacturing, and commercialization of the Bioeq Licensed Products in the United States is governed by a governance committee as described in more detail in the Bioeq Agreement.

We paid Bioeq an upfront payment of €5.0 million and a milestone payment of €5.0 million in 2019. In 2022, we paid Bioeq a €2.5 million milestone payment related to the FDA approval of the CIMERLI Section 351(k) BLA. We share a percentage of gross profits on sales of Bioeq Licensed Products in the United States with Bioeq in the low- to mid-fifty percent range.

The Bioeq Agreement's initial term continues in effect for ten years after the first commercial sale of a Bioeq Licensed Product in the United States, which occurred on October 3, 2022, and thereafter renews for an unlimited period of time unless otherwise terminated in accordance with its terms. Either party may terminate the Bioeq Agreement for the other party's material breach which is not cured within a specified time period or for the other party's bankruptcy or insolvency-related events. Bioeq may terminate the Bioeq Agreement in certain limited circumstances for failure to obtain specified minimum market share requirements during certain windows of time, if we conduct certain commercial or advanced pre-commercial activities with respect to certain competitive products, if we challenge the validity or enforceability of the patent rights licensed to us under the Bioeq Agreement, or if we undergo a change of control with a competitor of Bioeq and do not divest certain competitive products in connection therewith. We may terminate the Bioeq Agreement if Bioeq receives certain adverse regulatory feedback from the FDA for the Bioeq Licensed Products.

The FDA approval of CIMERLI occurred on August 2, 2022, and we commercially launched CIMERLI in the United States on October 3, 2022. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

License Agreement with Bioeq and Genentech

On June 22, 2022, we entered into a license agreement with Genentech, Inc. ("Genentech") and our partner Bioeq (the "Genentech Agreement"). Under the agreement, Genentech granted us and Bioeq a non-exclusive, royalty-bearing, license under certain of its patent rights to commercially launch and sell CIMERLI in the United States which started on the launch date on October 3, 2022. Pursuant to the terms of the Genentech Agreement, the royalty is a low single-digit percentage of net sales of CIMERLI that must be paid through the end of 2023. In addition, we obtained the right to make non-binding offers to sell and engage in manufacturing and stockpiling activities during specified time periods prior to the launch date pursuant to the terms of the Genentech Agreement. The term of the Genentech Agreement will expire when all of the valid claims in the patent rights licensed under the agreement expire. The agreement may be terminated by either party if a party materially breaches one or more of its material obligations, subject to customary cure period. If we, Bioeq or either party's respective affiliates initiate, participate, or assist any other person in bringing or prosecuting any challenge to the validity of any patent rights licensed under the Genentech Agreement, Genentech may terminate the licenses granted under such licensed patent rights or terminate the Genentech Agreement in its entirety, unless we, Bioeq, or the applicable affiliates withdraw all such challenges or stop assisting in any such challenges. Genentech may also terminate the agreement in the event of our insolvency. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

License Agreement with Junshi Biosciences

On February 1, 2021, we entered into the Collaboration Agreement with Junshi Biosciences for the co-development and commercialization of toripalimab, Junshi Biosciences' anti-PD-1 antibody in the United States and Canada (the "Collaboration Agreement").

Under the terms of the Collaboration Agreement, we paid $150.0 million upfront for exclusive rights to LOQTORZI in the United States and Canada, an option in these territories to Junshi Biosciences' anti-TIGIT antibody CHS-006, an option in these territories to a next-generation engineered IL-2 cytokine, and certain negotiation rights to two undisclosed preclinical immuno-oncology drug candidates. We have the right to conduct all commercial activities of LOQTORZI in the United States and Canada. We are obligated to pay Junshi Biosciences up to a 20% royalty on net sales of LOQTORZI and up to an aggregate $380.0 million in one-time payments for the achievement of various regulatory and sales milestones.

In March 2022, we paid $35.0 million for the exercise of our option to license the TIGIT Program (as defined in the Collaboration Agreement). Subsequent joint development consistent with the Collaboration Agreement commenced. On January 10, 2024, we announced that we had delivered a notice of termination of the TIGIT Program to Junshi Biosciences pursuant to the Collaboration Agreement. Under the Collaboration Agreement, we retain the right to collaborate in the development of LOQTORZI and the other licensed compounds and will pay for a portion of these co-development activities up to a maximum of $25.0 million per licensed compound per year. Additionally, we are responsible for certain associated regulatory and technology transfer costs for LOQTORZI and other licensed compounds and will reimburse Junshi Biosciences for such costs.

We accounted for the licensing transaction as an asset acquisition under the relevant accounting rules. The $35.0 million payment for the option to license CHS-006 was reflected in our first quarter of 2022 financial statements. We recorded research and development expense of $145.0 million during the first quarter of 2021, related to an upfront payment for exclusive rights to LOQTORZI in the United States and Canada. We had entered into a Right of First Negotiation agreement with Junshi Biosciences and paid a fee of $5.0 million which was expensed as research and development expense in the fourth quarter of 2020. The Right of First Negotiation fee was fully credited against the total upfront license fee obligation under the Collaboration Agreement. As of December 31, 2023, we recorded $26.3 million in accrued and other current liabilities, inclusive of the $25.0 million milestone payment to Junshi Biosciences. Additionally, we recorded $6.3 million in accounts payable related to the co-development, regulatory and technology transfer costs related to these programs, as well as an immaterial royalty obligation. The additional milestone payments, option fee for the IL-2 cytokine and royalties are contingent upon future events and, therefore, will be recorded if and when it becomes probable that a milestone will be achieved, or when an option fee or royalties are incurred.

Adimab Development and Option Agreement

In October 2018, Surface and Adimab LLC ("Adimab"), entered into an amended and restated development and option agreement, (as amended by the amendments dated as of December 16, 2020, June 1, 2022 and July 18, 2022, "the A&R Adimab Agreement"), which amended and restated the development and option agreement with Adimab dated July 2014, as amended, ("the Original Adimab Agreement"), for the discovery and optimization of proprietary antibodies as potential therapeutic product candidates. Under the A&R Adimab Agreement, we will select biological targets against which Adimab will use its proprietary platform technology to research and develop antibody proteins using a mutually agreed upon research plan. The A&R Adimab Agreement, among other things, extended the discovery term of the Original Adimab Agreement, provided access to additional antibodies, and expanded our right to evaluate and use antibodies that were modified or derived using Adimab technology for diagnostic purposes.

Upon our selection of a target, we and Adimab will initiate a research plan and the discovery term begins. During the discovery term, Adimab will grant us a non-exclusive, non-sublicensable license under its technology with respect to the target, to research, design and preclinically develop and use antibodies that were modified or derived using Adimab technology, solely to evaluate such antibodies, perform our responsibilities under the research plan, and use such antibodies for certain diagnostic purposes. We also will grant Adimab a non-exclusive, nontransferable license with respect to the target under our technology that covers or relates to such target, solely to perform its responsibilities under the research plan during the discovery period. We are required to pay Adimab at an agreed upon rate for its full-time employees during the discovery period while Adimab performs research on each target under the applicable research plan.

Adimab granted us an exclusive option to obtain a non-exclusive, worldwide, fully paid-up, sublicensable license under Adimab's platform patents and other Adimab technology solely to research up to ten antibodies, chosen by us against a specific biological target for a specified period of time (the "Research Option"). In addition, Adimab granted us an exclusive option to obtain a worldwide, royalty-bearing, sublicensable license under Adimab platform patents and other Adimab technology to exploit, including commercially, 20 or more antibodies against specific biological targets (the "Commercialization Option"). Upon the exercise of a Commercialization Option, and payment of the applicable option fee to Adimab, Adimab will assign us the patents that cover the antibodies selected by such Commercialization Option. We will be required to use commercially reasonable efforts to develop, seek market approval of, and commercialize at least one antibody against the target covered by the Commercialization Option in specified markets upon the exercise of a Commercialization Option.

Under the A&R Adimab Agreement, we are obligated to make milestone payments and to pay specified fees upon the exercise of the Research Option or Commercialization Option. During the discovery term, we may be obligated to pay Adimab up to $0.3 million for technical milestones achieved against each biological target. Upon exercise of a Research Option, we are obligated to pay a nominal research maintenance fee on each of the next four anniversaries of the exercise. Upon the exercise of each Commercialization Option, we will be required to pay an option exercise fee of a low seven-digit dollar amount, and we may be responsible for milestone payments of up to an aggregate of $13.0 million for each licensed product that receives marketing approval. For any licensed product that is commercialized, we are obligated to pay Adimab tiered royalties of a low to mid single-digit percentage on worldwide net sales of such product. We may also partially exercise a Commercialization Option with respect to ten antibodies against a biological target by paying 65% of the option fee and later either (i) paying the balance and choosing additional antibodies for commercialization, up to the maximum number under the Commercialization Option, or (ii) foregoing the Commercialization Option entirely. For any Adimab diagnostic product that is used with or in connection with any compound or product other than a licensed antibody or licensed product, we are obligated to pay Adimab up to a low seven digits in regulatory milestone payments and low single-digit royalties on net sales. No additional payment is due with respect to any companion diagnostic or any diagnostic product that does not contain any licensed antibody. Any payments payable to Adimab as a result of any product candidates being developed pursuant to the license agreement between Surface and GSK, dated December 16, 2020, which was subsequently amended in August 2021 (as amended, the "GSK Agreement"), will be payable to Adimab directly by GSK.

The A&R Adimab Agreement will remain in effect until (a) the earlier of (i) the expiration of the Research and Commercialization Options (if they expire without exercise) and (ii) 12 months from the effective date without us providing materials that pass Adimab's quality control; or (b) if a Research Option is exercised but the Commercialization Option is not, then upon the expiration of the last to expire research license term; or (c) upon commercialization of a product, until the end of the royalty term, which will vary on a product-by-product and country-by-country basis, ending on the later of (y) the expiration of the last valid claim covering the licensed product in such country as the product is manufactured or sold, or (z) ten years after the first commercial sale of the licensed product in such country.

Either party may terminate the A&R Adimab Agreement for material breach if such breach remains uncured for a specified period of time, however, if a Research Option or Commercialization Option has been exercised and the breach only applies to the applicable target of such Research Option or Commercialization Option, then the termination right will only apply to such target. We may also terminate the A&R Adimab Agreement for any reason with prior notice to Adimab. If Adimab is bankrupt, we will be entitled to a complete duplicate of, or complete access to, all rights and licenses granted under or pursuant to the A&R Adimab Agreement.

Novartis Institutes Out-licensing Agreement

In January 2016, Surface entered into the collaboration agreement between Surface and Novartis Institutes dated January 9, 2016 which was subsequently amended in May 2016, July 2017, September 2017, and October 2018 (as amended, the "Novartis Agreement"). Pursuant to the Novartis Agreement, Surface granted Novartis Institutes a worldwide exclusive license to research, develop, manufacture and commercialize antibodies that target cluster of differentiation 73 ("CD73"). Under the Novartis Agreement, we are currently entitled to potential development milestones of $325.0 million and sales milestones of $200.0 million, as well as tiered royalties on annual net sales by Novartis Institutes ranging from high single-digit to mid-teens percentages upon the successful commercialization of NZV930. Due to the uncertainty of pharmaceutical development and the historical failure rates generally associated with drug development, we may not receive any milestone payments or any royalty payments under the Novartis Agreement. We did not recognize any revenue relating to the Novartis Agreement from September 8, 2023 through December 31, 2023.

Unless terminated earlier, the Novartis Agreement will continue in effect until neither us nor Novartis Institutes is researching, developing, manufacturing or commercializing NZV930. Novartis Institutes may terminate the Novartis Agreement for any or no reason upon prior notice to the Company within a specified time period. Either party may terminate the Novartis Agreement in full if an undisputed material breach is not cured within a certain period of time or upon notice of insolvency of the other party. To the extent Novartis Institutes terminates for convenience, or we terminate for Novartis Institutes' uncured material breach, Novartis Institutes will grant us, on mutually agreeable financial terms, an exclusive, worldwide, irrevocable, perpetual and royalty-bearing license with respect to intellectual property controlled by Novartis Institutes that is reasonably necessary to research, develop, manufacture or commercialize NZV930.

GSK Out-licensing Agreement

In December 2020, Surface entered into the GSK Agreement. Pursuant to the GSK Agreement, Surface granted GSK a worldwide exclusive, sublicensable license to develop, manufacture and commercialize antibodies that target CD112R, also known as PVRIG, including the antibody GSK4381562 (the "Licensed Antibodies"). GSK is responsible for the development, manufacturing and commercialization of the Licensed Antibodies and a joint development committee was formed to facilitate information sharing. GSK is responsible for all costs

and expenses of such development, manufacturing and commercialization and is obligated to provide us with updates on its development, manufacturing and commercialization activities through the joint development committee. In March 2022, Surface earned a $30.0 million milestone payment from GSK upon the dosing of the first patient in the Phase 1 trial of GSK4381562. We are eligible to receive up to $60.0 million in additional clinical milestones and $155.0 million in regulatory milestones. In addition, we may receive up to $485.0 million in sales milestone payments. We are also eligible to receive royalties on global net sales of any approved products based on the Licensed Antibodies, ranging in percentages from high single digits to mid-teens. Due to the uncertainty of pharmaceutical development and the historical failure rates generally associated with drug development, we may not receive any milestone payments or any royalty payments under the GSK Agreement. We did not recognize license-related revenue under the GSK Agreement from September 8, 2023 through December 31, 2023.

Unless terminated earlier, the GSK Agreement expires on a licensed product-by-licensed product and country-by-country basis on the later of ten years from the date of first commercial sale or when there is no longer a valid patent claim or regulatory exclusivity covering such licensed product in such country. Either party may terminate the GSK Agreement for an uncured material breach by the other party or upon the bankruptcy or insolvency of the other party. GSK may terminate the GSK Agreement for its convenience. We may terminate the GSK Agreement if GSK institutes certain actions related to the licensed patents or if GSK ceases development activities, other than for certain specified technical or safety reasons. In the event of termination, we would regain worldwide rights to the terminated program.

License Agreement with Vaccinex

On March 23, 2021, Surface and Vaccinex, Inc. ("Vaccinex") entered into an exclusive product license agreement (the "Vaccinex License Agreement") to exclusively license certain antibodies, including CHS-114. Pursuant to the terms of the Vaccinex License Agreement, we have a worldwide, exclusive, sublicensable license to make, have made, use, sell, offer to sell, have sold, import and otherwise exploit licensed products that incorporate certain Vaccinex intellectual property which covers certain antibodies (each, a "Vaccinex Licensed Product"), including the antibody CHS-114 targeting CCR8.

Under the Vaccinex License Agreement, we are obligated to use commercially reasonable efforts to develop, clinically test, achieve regulatory approval, manufacture, market and commercialize at least one Vaccinex Licensed Product and have the sole right to develop, manufacture and commercialize the licensed products worldwide. We are responsible for all costs and expenses of such development, manufacturing and commercialization. Pursuant to the Vaccinex License Agreement, Surface paid Vaccinex a one-time fee of $0.9 million. Vaccinex is eligible to receive up to an aggregate of $3.5 million based on achievement of certain clinical milestones and up to an aggregate of $11.5 million based on achievement of certain regulatory milestones per Vaccinex Licensed Product. We also owe low single-digit royalties on global net sales of any approved licensed products. Commencing on the third anniversary of the date of the Vaccinex License Agreement and continuing until the first dosing of a Vaccinex Licensed Product in a clinical trial, we will be required to pay Vaccinex a nominal yearly maintenance fee. Since a patient was dosed with a Vaccinex Licensed Product, CHS-114, in January 2023, no yearly maintenance fees are due under the Vaccinex License Agreement.

We may terminate the Vaccinex License Agreement for convenience upon the notice period specified in the Vaccinex License Agreement. Either party may terminate the agreement for an uncured material breach by the other party. Vaccinex may terminate the Vaccinex License Agreement if we default on any payments owed to Vaccinex under the agreement, if we are in material breach of, and fail to cure, our development obligations, or institute certain actions related to the licensed patents. In the event of termination, all rights in the licensed intellectual property would revert to Vaccinex.

Term Sheet with Klinge Biopharma

On January 9, 2023, we announced that we entered into a term sheet (the "Term Sheet") with Klinge Biopharma GmbH ("Klinge Biopharma") for the exclusive commercialization rights to FYB203, a biosimilar candidate to Eylea® (aflibercept), in the United States. We notified Klinge Biopharma that we do not intend to pursue the transaction contemplated by the Term Sheet.

Intellectual Property

Our commercial success depends in part on our ability to avoid infringing the proprietary rights of third parties. Additionally, our commercial success may depend on our ability to obtain and maintain proprietary protection for our technologies where applicable and to prevent others from infringing our proprietary rights. We seek to protect our proprietary technologies by, among other methods, filing United States and international patent applications on these technologies, inventions and improvements that are important to our

business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary position.

The term of individual patents depends upon the legal term of the patents in countries in which they are obtained. In most countries, including the United States, the patent term is generally 20 years from the earliest date of filing a non-provisional patent application in the applicable country. In the United States, a patent's term may, in certain cases, be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the United States Patent and Trademark Office ("USPTO") in examining and granting a patent or may be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date.

In the normal course of business, we pursue patent protection for inventions related to our product candidates. Each patent family includes United States patent applications and/or issued patents, and some include foreign counterparts to certain of the United States patents and patent applications. Our patent portfolio includes issued or pending claims directed to formulations, methods of manufacturing biological proteins, and drug products and devices, including their methods of use and methods of manufacture.

For a discussion of risks related to our proprietary technology and processes, please see "Risk Factors — Risks Related to Intellectual Property."

Government Regulation

Our operations and activities are subject to extensive regulation by numerous government authorities in the United States, the European Union (the "E.U.") and other countries, including laws and regulations governing the testing, manufacture, safety, efficacy, labeling, storage, record keeping, approval, advertising and promotion of our products. As a result of these regulations, product development and product approval processes are very expensive and time consuming. The regulatory requirements applicable to drug development and approval are subject to change. Any legal and regulatory changes may impact our operations in the future. A country's regulatory agency, such as the FDA in the United States, must approve a drug before it can be sold in the respective country or countries. The general process for biosimilar approval in the United States is summarized below. Many other countries, including countries in the E.U., have similar regulatory structures.

FDA Approval Process for Drugs and Biologics

Our products and product candidates are subject to regulation in the United States by the FDA as biological products or as drug product candidates. The FDA subjects drugs and biologics to extensive pre- and post-market regulation pursuant to the Federal Food, Drug and Cosmetic Act ("FFDCA") and its implementing regulations, and in the case of biologics, the FFDCA and the Public Health Service Act ("PHSA") and their implementing regulations. In addition, we are subject to other federal and state statutes and regulations. These laws and regulations govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling and import and export of drugs and biologics. Failure to comply with applicable United States requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve a pending biologics license application ("BLA") or new drug application ("NDA"), withdrawal of approvals, clinical holds, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties or criminal penalties.

The process required by the FDA before a new biologic or drug may be marketed in the United States is long, expensive and inherently uncertain. Biologic and drug development in the United States typically involves the completion of certain preclinical laboratory and animal tests in accordance with good laboratory practices ("GLP"), the submission to the FDA of an IND, which must become effective before clinical testing may commence, the performance of adequate and well-controlled clinical trials to establish the safety and effectiveness of the biologic or drug for each indication for which FDA approval is sought in compliance with good clinical practice ("GCP") requirements, the submission to the FDA of an original BLA under Section 351(a) of the PHSA ("original BLA") or an NDA, as appropriate, satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug or biologic is produced, and FDA approval and review of the original BLA or NDA. Developing the data to satisfy 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 or disease.

Preclinical tests include laboratory evaluation of product chemistry, formulation and toxicity, as well as, when applicable, animal studies to assess the characteristics and potential safety and efficacy of the product. The conduct of the preclinical tests must comply with federal regulations and requirements, including GLP. An IND is a request for allowance from the FDA to administer an investigational drug or biologic to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for human studies,

although the IND must also include the results of preclinical testing and animal testing assessing the toxicology, pharmacokinetic, pharmacology and pharmacodynamic characteristics of the product along with other information, including information about product chemistry, manufacturing and controls and a proposed clinical trial protocol. Long-term preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

An IND must become effective before United States clinical trials may begin. A 30-day waiting period after the submission of each IND is required prior to the commencement of clinical testing in humans. If during the 30-day waiting period the FDA raises concerns or questions related to the proposed clinical studies, the sponsor and the FDA must resolve any outstanding concerns or questions before clinical studies 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.

Clinical trials involve the administration of the investigational new drug or biologic to healthy volunteers or patients with the condition under investigation, all under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with GCP requirements, which are designed to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors; as well as (iii) under protocols detailing the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving testing on United States patients and subsequent protocol amendments must be submitted to the FDA as part of the IND. While the IND is active, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report, among other information, must be submitted at least annually to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar drugs, findings from animal or in vitro testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

Human clinical trials for novel drugs and biologics are typically conducted in three sequential phases that may overlap or be combined.

- Phase 1—The product candidate is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and elimination. In the case of some therapeutic candidates for severe or life-threatening diseases, such as cancer, especially when the product candidate may be inherently too toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.

- Phase 2—Clinical trials are performed on a limited patient population intended 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—Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These studies are intended to establish the overall risk-benefit ratio of the product and provide an adequate basis for product labeling.

Post-approval trials, sometimes referred to as “Phase 4” clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of such “Phase 4” clinical trials.

The FDA may order the temporary or permanent discontinuation of a clinical trial at any time or impose other sanctions if it believes that the clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial patients. The study protocol and informed consent information for patients in clinical trials must also be submitted to an institutional review board (“IRB”), for approval. An IRB may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB’s requirements or may impose other conditions. The study sponsor may also suspend a clinical trial at any time on various grounds, including a determination that the subjects or patients are being exposed to an unacceptable health risk.

Concurrent with clinical trials, sponsors usually complete additional animal safety studies, develop additional information about the chemistry and physical characteristics of the product candidate and finalize a process for manufacturing commercial quantities of the product candidate in accordance with current Good Manufacturing Practices (“cGMP”) requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and the manufacturer must develop methods for testing the quality, purity and potency of the product candidate. To help reduce the risk of the introduction of adventitious agents with use of

biological products, the PHSA emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other criteria, the sponsor must develop methods for testing the identity, strength, quality, potency and purity of the final biological product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the biological product candidate does not undergo unacceptable deterioration over its shelf life. Additionally, for both NDA and BLA products, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its proposed shelf-life.

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, detailed information regarding the investigational product is submitted to the FDA in the form of a BLA or NDA requesting approval to market the product for one or more indications. The BLA or NDA must include all relevant data available from pertinent preclinical and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data can come from company-sponsored clinical studies intended to test the safety and effectiveness of a use of the product, or from a number of alternative sources, including studies initiated by investigators. Under the PDUFA as amended, each original BLA or NDA must be accompanied by a significant user fee. Fee waivers or reductions are available in certain circumstances, such as where a waiver is necessary to protect the public health, where the fee would present a significant barrier to innovation, where the product candidate has received orphan drug designations for the sought indication or where the applicant is a small business submitting its first human therapeutic application for review.

Within 60 days following submission of the application, the FDA reviews an original BLA or NDA submitted to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to file any original BLA or NDA that it deems incomplete or not properly reviewable at the time of submission, and may request additional information. In this event, the original BLA or NDA must be resubmitted with the additional information. The resubmitted application also is 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 of the original BLA or NDA. The FDA reviews the original BLA to determine, among other things, whether the proposed product is safe, pure and potent for its intended use, and has an acceptable purity profile, and in the case of an NDA, whether the product is safe and effective for its intended use, and in each case, whether the product is being manufactured in accordance with cGMP. The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and 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. The FDA's goal is to review standard applications within ten months after the filing date, or, if the application qualifies for Priority Review, six months after the FDA accepts the application for filing. A BLA or NDA is eligible for Priority Review if the product or the product candidate has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. In both standard and Priority Reviews, the review process may also be extended for a three-month period by the FDA to review additional information deemed a major amendment to the application.

During the product approval process, the FDA also will determine whether a risk evaluation and mitigation strategy ("REMS") is necessary to assure the safe use of the product. If the FDA concludes a REMS plan is needed, the sponsor of the original BLA or NDA must submit a proposed REMS plan. The FDA will not approve an original BLA or NDA without a REMS plan, if required. In determining whether a REMS plan is necessary, the FDA must consider the size of the population likely to use the drug or biologic, the seriousness of the disease or condition to be treated, the expected benefit of the drug or biologic, the duration of treatment, the seriousness of known or potential adverse events, and whether the drug or biologic is a new molecular entity. A REMS plan may be required to include various elements, such as a medication guide or patient package insert, a communication plan to educate health care providers of the risks, limitations on who may prescribe or dispense the drug or biologic, or other measures that the FDA deems necessary to assure the safe use of the drug or biologic. In addition, the REMS plan must include a timetable to assess the strategy at 18 months, three years, and seven years after the strategy's approval, or at another frequency specified in the REMS.

The FDA will not approve the 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 original BLA or NDA, the FDA will typically inspect one or more clinical sites to ensure compliance with cGCP. After the FDA evaluates an original BLA or NDA and conducts any inspections in the U.S. or internationally that it deems necessary, the FDA may issue an approval letter or a CRL. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A CRL indicates that the review cycle of the application is complete, and the application is not ready for approval. A CRL may require additional clinical data and/or an additional clinical trial or trials, and/or other significant, expensive and time-consuming requirements related to clinical trials, preclinical trials or manufacturing. Even if such additional information is submitted, the FDA may ultimately decide that the original BLA or NDA does not satisfy the criteria for approval.

Even if a product receives regulatory approval, the approval may be significantly limited to specific indications and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. The FDA may impose restrictions and conditions on product distribution, prescribing, or dispensing in the form of a risk management plan, or otherwise limit the scope of any approval. In addition, the FDA may require post marketing clinical trials, sometimes referred to as "Phase 4" clinical trials, designed to further assess a biological product's safety and effectiveness, and testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Abbreviated Licensure Pathway of Biological Products as Biosimilar under Section 351(k)

The Biologics Price Competition and Innovation Act of 2009 ("BPCIA") amended the PHSA and created an abbreviated approval pathway for biological products shown to be highly similar to an FDA-licensed reference biological product. The BPCIA attempts to minimize duplicative testing and thereby lower development costs and increase patient access to affordable treatments. Thus, an application for licensure of a biosimilar product pursuant to a Section 351(k) BLA must include information demonstrating biosimilarity based upon the following, unless the FDA determines otherwise:

- analytical studies demonstrating that the proposed biosimilar product is highly similar to the approved product notwithstanding minor differences in clinically inactive components;
- animal studies (including the assessment of toxicity); and
- two clinical study phases: first, a clinical study or studies (generally termed "Phase 1") that demonstrate the PK and PD similarity (e.g., bioequivalence study) of the proposed biosimilar to the originator molecule, and second, a clinical study or studies (generally termed "Phase 3") that demonstrate the safety (including immunogenicity), purity and that potency is statistically not inferior to that of the originator in one or more conditions for which the reference product is licensed and intended to be used.

In addition, an application submitted under the Section 351(k) pathway must include information demonstrating that:

- the proposed biosimilar product and reference product utilize the same mechanism of action for the condition(s) of use prescribed, recommended or suggested in the proposed labeling, but only to the extent the mechanism(s) of action are known for the reference product;
- the condition or conditions of use prescribed, recommended or suggested in the labeling for the proposed biosimilar product have been previously approved for the reference product;
- the route of administration, the dosage form and the strength of the proposed biosimilar product are the same as those for the reference product; and
- the facility in which the biological product is manufactured, processed, packed or held meets standards designed to assure that the biological product continues to be safe, pure and potent.

Biosimilarity is defined to mean that the proposed biological product is highly similar to the reference product notwithstanding minor differences in clinically inactive components and that there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity and potency of the product. In addition, a biosimilar may also be determined to be "interchangeable" with the reference products, whereby the biosimilar may be substituted for the reference product without the intervention of the health care provider who prescribed the reference product. The higher standard of interchangeability must be demonstrated by information sufficient to show that:

- the proposed product is biosimilar to the reference product;
- the proposed product is expected to produce the same clinical result as the reference product in any given patient; and

- for a product that is administered more than once to an individual, the risk to the patient in terms of safety or diminished efficacy of alternating or switching between the biosimilar and the reference product is no greater than the risk of using the reference product without such alternation or switch.

FDA approval is required before a biosimilar may be marketed in the United States. The FDA has discretion over the kind and amount of scientific evidence — laboratory, preclinical and/or clinical — required to demonstrate biosimilarity to a licensed biological product. The FDA intends to consider the totality of the evidence provided by a sponsor to support a demonstration of biosimilarity, and recommends that sponsors use a stepwise approach in the development of their biosimilar products. Biosimilar product applications thus may not be required to duplicate the entirety of preclinical and clinical testing used to establish the underlying safety and effectiveness of the reference product. However, the FDA may refuse to approve a biosimilar application if there is insufficient information to show that the active ingredients are the same or to demonstrate that any impurities or differences in active ingredients do not affect the safety, purity or potency of the biosimilar product. In addition, as with original BLAs, biosimilar product applications will not be approved unless the product is manufactured in facilities designed to assure and preserve the biological product's safety, purity and potency.

The submission of an application via the Section 351(k) pathway does not guarantee that the FDA will accept the application for filing and review, as the FDA may refuse to accept applications that it finds are incomplete. The FDA will treat a biosimilar application or supplement as incomplete if, among other reasons, any applicable user fees have not been paid. In addition, the FDA may accept an application for filing but deny approval on the basis that the sponsor has not demonstrated biosimilarity, in which case the sponsor may choose to conduct further analytical, preclinical or clinical studies to demonstrate such biosimilarity under Section 351(k) or submit an original BLA for licensure as a new biological product under Section 351(a) of the PHSA.

The timing of final FDA approval of a biosimilar for commercial distribution depends on a variety of factors, including whether the manufacturer of the branded product is entitled to one or more statutory exclusivity periods, during which time the FDA is prohibited from approving any products that are biosimilar to the branded product. The FDA cannot approve a biosimilar application for 12 years from the date of first licensure of the reference product. Additionally, a biosimilar product sponsor may not submit an application under the Section 351(k) pathway for four years from the date of first licensure of the reference product. In certain circumstances, a regulatory exclusivity period can extend beyond the life of a patent and thus block the Section 351(k) BLA from being approved on or after the patent expiration date. In addition, the FDA may under certain circumstances extend the exclusivity period for the reference product by an additional six months if the FDA requests, and the manufacturer undertakes, studies on the effect of its product in children, a so-called pediatric extension.

The first biological product determined to be interchangeable with a branded product for any condition of use is also entitled to a period of exclusivity, during which time the FDA may not determine that another product is interchangeable with the reference product for any condition of use. This exclusivity period extends until the earlier of: (1) one year after the first commercial marketing of the first interchangeable product; (2) 18 months after resolution of a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product, based on a final court decision regarding all of the patents in the litigation or dismissal of the litigation with or without prejudice; (3) 42 months after approval of the first interchangeable product, if a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product is still ongoing; or (4) 18 months after approval of the first interchangeable product if the applicant that submitted the application for the first interchangeable product has not been sued under 42 U.S.C. § 262(l)(6).

FDA Regulation of Combination Products

Certain products or product candidates, such as the OBI presentation of UDENYCA we developed, may be composed of components, such as drug components and device components that would normally be regulated under different types of regulatory authorities, and frequently by different centers at the FDA. These products are known as combination products. Specifically, under regulations issued by the FDA, a combination product may be:

- a product composed of two or more regulated components that are physically, chemically, or otherwise combined or mixed and produced as a single entity;

- two or more separate products packaged together in a single package or as a unit and composed of drug and device products, device and biological products, or biological and drug products;

- a drug, or device, or biological product packaged separately that according to its investigational plan or proposed labeling is intended for use only with an approved individually specified drug, or device, or biological product where both are required to achieve the intended use, indication, or effect and where upon approval of the proposed product the labeling of the approved product would need to be changed, e.g., to reflect a change in intended use, dosage form, strength, route of administration, or significant change in dose; or

- any investigational drug, or device, or biological product packaged separately that according to its proposed labeling is for use only with another individually specified investigational drug, device, or biological product where both are required to achieve the intended use, indication, or effect.

Under the FFDCA and its implementing regulations, the FDA is charged with assigning a center with primary jurisdiction, or a lead center, for review of a combination product. The designation of a lead center generally eliminates the need to receive approvals from more than one FDA component for combination products, although it does not preclude consultations by the lead center with other components of the FDA. The determination of which center will be the lead center is based on the "primary mode of action" of the combination product. Thus, if the primary mode of action of a drug-device combination product is attributable to the drug product, the FDA center responsible for premarket review of the drug product would have primary jurisdiction for the combination product. The FDA has also established an Office of Combination Products to address issues surrounding combination products and provide more certainty to the regulatory review process. That office serves as a focal point for combination product issues for agency reviewers and industry. It is also responsible for developing guidance and regulations to clarify the regulation of combination products, and for assignment of the FDA center that has primary jurisdiction for review of combination products where the jurisdiction is unclear or in dispute.

A combination product with a biologic primary mode of action generally would be reviewed and approved pursuant to the biologic licensure processes under the PHSA. In reviewing the BLA or Section 351(k) BLA for such a product, however, FDA reviewers in the drug center could consult with their counterparts in the device center to ensure that the device component of the combination product met applicable requirements regarding safety, purity, potency, durability and performance. In addition, under FDA regulations, combination products are subject to cGMP requirements applicable to both drugs and devices, including the Quality System regulations applicable to medical devices.

Advertising and Promotion

Once an NDA, original BLA, or Section 351(k) BLA is approved, a product will be subject to continuing post-approval regulatory requirements, 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. For instance, the FDA closely regulates the post-approval marketing and promotion of biologics, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Failure to comply with these regulations can result in significant penalties, including the issuance of warning letters directing a company to correct deviations from FDA standards, a requirement that future advertising and promotional materials be pre-cleared by the FDA and federal and state civil and criminal investigations and prosecutions.

Biologics and drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. After approval, most changes to the approved product, including changes in indications, labeling or manufacturing processes or facilities, require submission and FDA approval of a new marketing application or supplement to the approved marketing application before the change can be implemented. A supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing supplements as it does in reviewing original application. There are also continuing annual program user fee requirements for marketed products.

Adverse Event Reporting and GMP Compliance

Adverse event reporting and submission of periodic reports are required following FDA approval of a marketing application. The FDA also may require post-market testing, including Phase 4 testing, implementation of a REMS, and/or surveillance to monitor the effects of an approved product, or the FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, manufacturing, packaging, labeling, storage and distribution procedures must continue to conform to cGMPs after approval. Manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the FDA, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals,

request product recalls or impose marketing restrictions through labeling changes or product removals if a company fails to comply with regulatory standards, if it encounters problems following initial marketing or if previously unrecognized problems are subsequently discovered.

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

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

Other Healthcare Laws and Compliance Requirements

We are subject to healthcare regulation and enforcement by the federal government and the states and foreign governments in which we conduct our business. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, privacy and security and transparency laws and regulations.

The federal Anti-Kickback Statute prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. The Anti-Kickback Statute is subject to evolving interpretations. In the past, the government has enforced the Anti-Kickback Statute to reach large settlements with healthcare companies based on sham consulting and other financial arrangements with physicians. Further, a person or entity does not need to have actual knowledge of the statutes or specific intent to violate it in order to have committed a violation. The majority of states also have anti-kickback laws, which establish similar prohibitions and in some cases, may apply to items or services reimbursed by any third-party payer, including commercial insurers.

Additionally, federal civil and criminal false claims laws, including the civil False Claims Act, prohibit knowingly presenting or causing the presentation of a false, fictitious or fraudulent claim for payment to the United States government. Actions under the False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act. Violations of the False Claims Act can result in very significant monetary penalties and treble damages. The federal government is using the False Claims Act, and the accompanying threat of significant liability, in its investigation and prosecution of pharmaceutical and biotechnology companies throughout the country, for example, in connection with the promotion of products for unapproved uses and other sales and marketing practices. The government has obtained multi-million and multi-billion dollar settlements under the False Claims Act in addition to individual criminal convictions under applicable criminal statutes. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers' and manufacturers' compliance with applicable fraud and abuse laws.

The federal Civil Monetary Penalties Law prohibits, among other things, the offering or transferring of remuneration to a Medicare or Medicaid beneficiary that the person knows or should know is likely to influence the beneficiary's selection of a particular supplier of Medicare or Medicaid payable items or services. Noncompliance with such beneficiary inducement provision of the federal Civil Monetary

Penalties Law can result in civil money penalties for each wrongful act, assessment of three times the amount claimed for each item or service and exclusion from the federal healthcare programs.

Federal and state government price reporting laws require manufacturers to calculate and report complex pricing metrics to government programs. Such reported prices may be used in the calculation of reimbursement and/or discounts on marketed products. Participation in these programs and compliance with the applicable requirements subject manufacturers to potentially significant discounts on products, increased infrastructure costs, and potentially limit the ability to offer certain marketplace discounts.

In addition, there has been a recent trend of increased federal and state regulation of payments made to physicians and other healthcare providers. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the "ACA"), among other things, imposed new reporting requirements on drug manufacturers for payments made by them to physicians (defined to include doctors, dentists, optometrists, podiatrists, chiropractors, certain non-physician practitioners (physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, anesthesiologist assistants, and certified nurse midwives) and teaching hospitals, as well as ownership and investment interests held by such physicians and their immediate family members. Failure to submit required information may result in significant civil monetary penalties for any payments, transfers of value or ownership or investment interests that are not timely, accurately and completely reported in an annual submission, and additional penalties for "knowing failures." Certain states also mandate implementation of commercial compliance programs, impose restrictions on pharmaceutical manufacturer marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to physicians.

The federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") created new federal criminal statutes that prohibit among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payers, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Some states also require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and require manufacturers to report information related to payments and other transfers of value to healthcare providers and institutions as well as marketing expenditures and pricing information.

The shifting commercial compliance environment and the need to build and maintain robust systems to comply with different compliance and/or reporting requirements in multiple jurisdictions increase the possibility that a healthcare company may violate one or more of the requirements. A violation of any of such laws or any other applicable governmental regulations may result in penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of our operations, exclusion from participation in federal and state healthcare programs, additional reporting obligations and oversight if the government requires a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and/or imprisonment.

Data Privacy and Security

Numerous state, federal and foreign laws, regulations and standards govern the collection, use, access to, confidentiality and security of health-related and other personal information, and could apply now or in the future to our operations or the operations of our partners. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws and consumer protection laws and regulations govern the collection, use, disclosure and protection of health-related and other personal information. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. Privacy and security laws, regulations and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts and can result in investigations, proceedings or actions that lead to significant civil or criminal penalties or both and restrictions on data processing.

Pharmaceutical Coverage, Pricing and Reimbursement

In the United States and other countries, sales of UDENYCA, YUSIMRY, LOQTORZI and any other products for which we receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payers, including government health administrative authorities, managed care providers, private health insurers and other organizations. Third-

party payers are increasingly examining the medical necessity and cost effectiveness of medical products and services in addition to safety and efficacy and, accordingly, significant uncertainty exists as to the reimbursement status of newly approved therapeutics. In addition, the United States government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures and adoption of more restrictive policies in jurisdictions with existing controls and measures could further limit our net revenue and results. A significant portion of our sales are subject to substantial discounts to list price, including rebates we may be required to pay to Medicaid agencies or discounts we may be required to pay to 340B covered entities. Decreases in third-party reimbursement for UDENYCA, YUSIMRY, LOQTORZI or other products for which we receive regulatory approval or a decision by a third-party payer to not cover our products could reduce physician utilization of our products and have a material adverse effect on our sales, results of operations and financial condition.

Government Price Reporting

Medicaid is a joint federal and state program for low-income and disabled beneficiaries. Medicare is a federal program that is administered by the federal government covering individuals age 65 and over as well as those with certain disabilities. Under the Medicaid Drug Rebate Program ("MDRP"), as a condition of having federal funds available for our covered outpatient drugs under Medicaid and under Medicare Part B, we must enter into, and have entered into, an agreement with the Secretary of Health and Human Services to pay a rebate to state Medicaid programs for each unit of our covered outpatient drugs dispensed to a Medicaid beneficiary and paid for by the state Medicaid program. Medicaid rebates are based on pricing data that we are required to report on a monthly and quarterly basis to the U.S. Centers for Medicare & Medicaid Services ("CMS"), the federal agency that administers the MDRP and Medicare programs. For the MDRP, these data include the average manufacturer price ("AMP") for each drug and, in the case of innovator products, the Best Price, which represents the lowest price available from us to any wholesaler, retailer, provider, health maintenance organization, nonprofit entity, or governmental entity in the United States in any pricing structure, calculated to include all applicable sales and associated rebates, discounts and other price concessions. In connection with Medicare Part B, we must provide CMS with Average Sales Price ("ASP") information on a quarterly basis. CMS uses this information to compute Medicare Part B payment rates, which consist of ASP plus a specified percentage. If we become aware that our MDRP submissions for a prior period were incorrect or have changed as a result of recalculation of the pricing data, we must resubmit the corrected data for up to three years after those data originally were due. If we fail to provide information timely or are found to have knowingly submitted false information to CMS, we may be subject to civil monetary penalties and other sanctions, including termination from the MDRP.

Federal law requires that a manufacturer that participates in the MDRP also participate in the Public Health Service's 340B drug pricing program in order for federal funds to be available for the manufacturer's drugs under Medicaid and Medicare Part B. The 340B program is administered by the Health Resources and Services Administration ("HRSA") and requires us to agree to charge statutorily defined covered entities no more than the 340B "ceiling price" for our covered outpatient drugs when used in an outpatient setting. 340B covered entities include a variety of community health clinics and other entities that receive health services grants from the Public Health Service, as well as hospitals that serve a disproportionate share of low-income patients. The 340B ceiling price is calculated using a statutory formula, which is based on the AMP and rebate amount for the covered outpatient drug as calculated under the MDRP. In general, products subject to Medicaid price reporting and rebate liability are also subject to the 340B ceiling price requirement. We must report 340B ceiling prices to HRSA on a quarterly basis, and HRSA publishes them to 340B covered entities. HRSA has finalized regulations regarding the calculation of the 340B ceiling price and the imposition of civil monetary penalties on manufacturers that knowingly and intentionally overcharge covered entities for 340B eligible drugs. HRSA has also finalized an administrative dispute resolution process through which 340B covered entities may pursue claims against participating manufacturers for overcharges.

In order to be eligible to have drug products paid for with federal funds under Medicaid and Medicare Part B and purchased by certain federal agencies and grantees, a manufacturer must also participate in the U.S. Department of Veterans Affairs ("VA") Federal Supply Schedule ("FSS") pricing program. Under the VA FSS program, we must report the Non-Federal Average Manufacturer Price ("Non-FAMP") for our covered drugs to the VA and charge certain federal agencies no more than the Federal Ceiling Price, which is calculated based on Non-FAMP using a statutory formula. These four agencies are the VA, the U.S. Department of Defense, the U.S. Coast Guard, and the U.S. Public Health Service (including the Indian Health Service). We must also pay rebates on products purchased by military personnel and dependents through the TRICARE retail pharmacy program. If a manufacturer participating in the FSS program fails to provide timely information or is found to have knowingly submitted false information, the manufacturer may be subject to civil monetary penalties.

Individual states continue to consider and have enacted legislation to limit the growth of healthcare costs, including the cost of prescription drugs and combination products. A number of states have either implemented or are considering implementation of drug price transparency legislation. Requirements under such laws include advance notice of planned price increases, reporting price increase amounts and factors considered in taking such increases, wholesale acquisition cost information disclosure to prescribers, purchasers, and

state agencies, and new product notice and reporting. Such legislation could limit the price or payment for certain drugs, and a number of states are authorized to impose civil monetary penalties or pursue other enforcement mechanisms against manufacturers for the untimely, inaccurate, or incomplete reporting of drug pricing information or for otherwise failing to comply with drug price transparency requirements.

Healthcare Reform, including the IRA

The United States federal and state governments continue to propose and pass legislation designed to regulate the healthcare industry, including legislation that seeks to indirectly or directly regulate pharmaceutical drug pricing. Most significantly, on August 16, 2022, the 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. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations. HHS has issued and will continue to issue guidance implementing the IRA, although the Medicare drug price negotiation program is currently subject to legal challenges. While the impact of the IRA on our business and the pharmaceutical industry cannot yet be fully determined, it is likely to be significant. In particular, if a product becomes subject to the IRA negotiation provision and related price cap, that may significantly alter the economic rationale for developing and commercializing a biosimilar.

Environment

We are subject to a number of laws and regulations that require compliance with federal, state, and local regulations for the protection of the environment. The regulatory landscape continues to evolve, and we anticipate additional regulations in the near future. Laws and regulations are implemented and under consideration to mitigate the effects of climate change mainly caused by greenhouse gas emissions. Our business is not energy intensive. Therefore, we do not anticipate being subject to a cap and trade system, carbon emissions tax or other mitigation measure that would materially impact our capital expenditures, operations or competitive position. The building where our headquarters is located in Redwood City, California, has been awarded LEED Gold Certification from the United States Green Building Council.

Human Capital Management

On March 3, 2023, we committed to a plan to reduce our workforce to focus resources on strategic priorities including the commercialization of our diversified product portfolio and development of innovative immuno-oncology product candidates. We initiated a reduction in force impacting approximately 50 full-time and part-time employees effective March 10, 2023 for most of these employees.

As of December 31, 2023, we had 306 full-time and part-time employees. All were located in the United States and none of our employees were represented by a labor union. We have not experienced any work stoppages and believe we have good relations with our employees and contractors. Our guiding principles are anchored on the goals of being able to recruit, incentivize, retain and integrate talented employees who can develop, implement, and drive long-term value creation strategies.

Compensation and Benefits

We believe our base salaries are fair and competitive with the external labor markets in which our employees work and are reviewed on a regular basis. We offer incentive programs that provide bonus opportunities to encourage and reward participants for our achievement of financial and other key performance metrics and strengthen the connection between pay and performance. We also grant equity compensation awards that vest over time through our long-term incentive plan to employees to align such employees' incentives with our long-term strategic objectives and the interests of our stockholders.

We also offer competitive benefits to our employees, including paid vacation and holidays, family leave, disability insurance, life insurance, healthcare, dental and vision coverage, dependent care flexible spending accounts, a 401(k) plan with a company match, and an Employee Stock Purchase Plan. Additionally, we offer an Employee Assistance Program ("EAP") that includes professional support for employees to balance the stress of personal and professional demands.

Inclusion and Diversity

People are a critical component of our efforts to drive growth and deliver value for stockholders. One of the ways we have put people at the center of our business is by continuing to work toward a more inclusive and diverse workplace where each person feels respected, valued and seen and can be the best version of themselves. We believe that having a truly diverse workplace helps our company to achieve the best results, including by striving for diversity in terms of gender, ethnicity, nationality, disability status, veteran status and other factors. We launched our Diversity and Inclusion Program to our employees in 2020 and intend to continue implementation of the program in 2024. As of December 31, 2023, ethnically diverse employees represented approximately 37% of our employees and women composed 49% of our employees. We donate to non-profit organizations such as Life Science Cares, an organization focused on eliminating the impact of poverty on our neighbors. Our Chief Executive Officer also serves on the Board of Advisors of Life Science Cares.

Health and Safety

We are committed to a safe workplace for our employees and have implemented health and safety management processes, including training and awareness, into our operations. In response to the COVID-19 pandemic, we implemented additional safety measures for the protection of our employees, including work-from-home measures for applicable employees and additional cleaning and protective measures. We require that all employees are fully vaccinated for COVID-19 and recommend they get all booster shots recommended by the United States Centers of Disease Control and Prevention. We react to emergencies on an ongoing basis to protect our employees.

Training, Development and Engagement

Through our online learning platform, we deliver a variety of required learning modules, including those modules tied to our Code of Business Conduct, unlawful harassment and anti-corruption policies, which are completed periodically by all team members. We also have Performance Management Training and Interview Training programs for our managers. We have a highly collaborative, engaging company environment.

Additional Information

We view our operations and measure our business as one reportable segment operating primarily in the United States. See “Note 1. Organization and Significant Accounting Policies” in the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K for additional information. Additional information required by this item is incorporated herein by reference to Part I, Item 1A “Risk Factors.”

We were incorporated in Delaware in September 2010. We completed the initial public offering of our common stock in November 2014. Our common stock is currently listed on The Nasdaq Global Market under the symbol “CHRS.”

Our principal executive offices are located at 333 Twin Dolphin Drive, Suite 600, Redwood City, CA 94065, and our telephone number is (650) 649-3530.

You may find electronic copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 on our website at https://www.coherus.com free of charge. We also periodically release and publicize press releases to the public that are also available on our website’s section entitled “News” which we use as a recognized channel of distribution for our investors and other people interested in our company. The SEC maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Such filings are placed on our website as soon as reasonably possible after they are filed with the SEC. Our most recent charter for our audit, compensation, and nominating and corporate governance committees and our Code of Business Conduct and Ethics are available on our website as well. Any waiver of our Code of Business Conduct and Ethics may be made only by our board of directors. Any waiver of our Code of Business Conduct and Ethics for any of our directors or executive officers must be disclosed on a Current Report on Form 8-K within four business days, or such shorter period as may be required under applicable law.

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

Risk Factor Summary

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading "Risk Factors" and should be carefully considered, together with other information in this Annual Report on Form 10-K, including our financial statements and related notes thereto, before making investment decisions regarding our common stock.

- We have a limited history of profitability, which we have not maintained and may not achieve again, and only three products that have been approved and marketed, with multiple products that are not approved and still in development.
- The commercial success of our existing products or any future products will depend upon the degree of market acceptance and adoption by prescribing physicians, healthcare providers and the patients to whom our medicines are prescribed. Additionally, obtaining placement on national and/or local clinical guidelines/pathways, as well as coverage on third-party payor formularies, can impact our short and long-term financial performance.
- As we have in-licensed development and/or commercial rights to LOQTORZI, we rely on prior and ongoing preclinical, clinical, regulatory and manufacturing expertise of our collaborators in order to advance this product candidate through regulatory approvals in the United States and other licensed territories.
- Our products and our product candidates, even if approved, will remain subject to regulatory scrutiny.
- Disruptions at the FDA and other government agencies caused by funding shortages, government shut-downs or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, and conduct inspections of manufacturing facilities, or otherwise prevent new or modified products from being developed, or approved or commercialized in a timely manner or at all, which could negatively impact our business.
- Our biosimilar products face significant competition from the reference products and from other biosimilar products or pharmaceuticals approved for the same indication as the originator products. LOQTORZI faces significant competition from other immuno-oncology biologics. If we fail to compete effectively, we may not achieve significant market penetration and expansion.
- We face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our product candidates.
- If an improved version of an originator product, such as Neulasta or Humira, is developed or if the market for the originator product significantly declines, sales of our biosimilar products may suffer.
- Healthcare reform measures, including the IRA, may increase the difficulty and cost for us to obtain marketing approval for and commercialize our products, affect the prices we may set, and have a material adverse effect on our business and results of operations.
- We are highly dependent on the services of our key executives and personnel, including our President and Chief Executive Officer, Dennis M. Lanfear, and if we are not able to retain these members of our management or recruit additional management, clinical and scientific personnel, our business will suffer.
- We rely on third parties to conduct our nonclinical and clinical studies and perform other tasks for us. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.
- We are subject to a multitude of manufacturing risks and the risks of inaccurately forecasting sales of our products. We also need to make a determination of excess or obsolete inventory that requires significant judgment and may result in write-downs of

inventory, charges related to firm purchase commitments, or both. Any adverse developments affecting the manufacturing operations of our products and product candidates could substantially increase our costs and limit supply for our products and product candidates.

- The continuation of the war between Russia and Ukraine and conflicts in the Middle East may exacerbate certain risks we face.
- Our products or our product candidates may cause undesirable side effects or have other properties that could, as applicable, delay or prevent their regulatory approval, limit the commercial profile of an approved label or result in significant negative consequences following marketing approval, if granted.
- If we infringe or are alleged to infringe intellectual property rights of third parties, our business could be harmed. Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.
- We are heavily dependent on the development, clinical success, regulatory approval and commercial success of our product candidates. We cannot give any assurance that any of our product candidates will receive regulatory approval, which is necessary before they can be commercialized.

Risk Factors

Investing in the common stock of a biopharmaceutical company, including one with significant international partnerships and multiple products in development, is a highly speculative undertaking and involves a substantial degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K. If any of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. The risks described below are not the only risks facing us. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, results of operations and/or prospects.

Risks Related to Our Financial Condition and Capital Requirements

We have a limited history of profitability, which we have not maintained and may not achieve again, and only three products that have been approved and marketed, with multiple products that are not approved and still in development.

With the exception of generating net income of $132.2 million and $89.8 million in 2020 and 2019, respectively, we incurred net losses in each year from our inception in September 2010 through December 31, 2023, including net losses of $237.9 million, $291.8 million and $287.1 million in 2023, 2022 and 2021, respectively. It is uncertain that we will be profitable in future periods as research and development is expensive and risky. The amount of our future net losses or any future net income will depend, in part, on the amount of our future expenditures offset by the amount of future product sales, including sales of our current products or any other products that may receive regulatory approval. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk.

For example, as of December 31, 2023, we had an accumulated deficit of $1.6 billion. The losses and accumulated deficit were primarily due to the substantial investments we made to identify, develop or license our product candidates, including conducting, among other things, analytical characterization, process development and manufacturing, formulation and clinical studies and providing general and administrative support for these operations.

We have incurred and anticipate we will continue to incur certain development and commercial expenses for LOQTORZI, the anti-PD-1 antibody we licensed from Junshi Biosciences in 2021, and have agreed to pay up to $90.0 million for the achievement of certain regulatory approvals and up to $290.0 million for the attainment of certain sales thresholds. The recent launch of this product and future work to advance our product candidates through clinical development will be expensive and could result in us continuing to experience future net losses.

For YUSIMRY, UDENYCA and LOQTORZI which are launched products, and if we obtain regulatory approval to market any other product candidate, our future revenue will depend upon the size of any markets in which our product candidates may receive approval and our ability to achieve sufficient market acceptance, pricing, reimbursement from third-party payers, and adequate market share for our product candidates which include all product candidates for which we obtained commercial rights, in those markets. However, even

if additional product candidates in addition to our current products gain regulatory approval and are commercialized, we may not remain profitable.

Our expenses will increase substantially if and as we:

- further develop our sales, marketing and distribution infrastructure for our current products and develop such infrastructure for new products once they are launched;
- establish a sales, marketing and distribution infrastructure to commercialize any of our product candidates for which we may obtain marketing approval;
- make upfront, milestone, royalty or other payments under any license agreements;
- continue our nonclinical and clinical development of our product candidates;
- initiate additional nonclinical, clinical or other studies for our product candidates;
- expand the scope of our current clinical studies for our product candidates;
- advance our programs into more expensive clinical studies;
- change or add contract manufacturers, clinical research service providers, testing laboratories, device suppliers, legal service providers or other vendors or suppliers;
- seek regulatory approvals for our product candidates that successfully complete clinical studies;
- seek to identify, assess, acquire and/or develop other product candidates or products that may be complementary to our products;
- seek to create, maintain, protect and expand our intellectual property portfolio;
- engage legal counsel and technical experts to help us evaluate and avoid infringing any valid and enforceable intellectual property rights of third parties;
- engage in litigation, including patent litigation, and Inter Partes Review ("IPR") proceedings with originator companies or others that may hold patents;
- seek to attract and retain skilled personnel;
- create additional infrastructure to support our operations as a public company and our product development and planned future commercialization efforts; and
- experience any delays or encounter issues with any of the above, including but not limited to failed studies, conflicting results, safety issues, manufacturing delays, litigation or regulatory challenges that may require longer follow-up of existing studies, additional major studies or additional supportive studies or analyses in order to pursue marketing approval.

Further, the net loss or net income we achieve may fluctuate significantly from quarter-to-quarter and year-to-year such that a period-to-period comparison of our results of operations may not be a good indication of our future performance quarter-to-quarter and year-to-year due to factors including the timing of clinical trials, any litigation that we may initiate or that may be initiated against us as well as any settlements or judgments from such litigation, the execution of collaboration, licensing or other agreements and the timing of any payments we make or receive thereunder.

We continue to be dependent on the ability to raise funds. This additional funding may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development and commercialization efforts or other operations.

As of December 31, 2023, our cash, cash equivalents and marketable securities were $117.7 million. We expect that our existing cash and cash equivalents, investments and cash collected from our product sales will be sufficient to fund our current operations for the foreseeable future. We have financed our operations primarily through the sale of equity securities, convertible notes, credit facilities, license agreements and through recent product sales of our products.

However, our operating or investing plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future funding requirements will depend on many factors, including but not limited to:

- our ability to continue to successfully commercialize our products;
- the scope, rate of progress, results and cost of any clinical studies, nonclinical testing and other related activities;
- the cost of manufacturing clinical drug supplies and establishing commercial supplies, of our product candidates and any products that we may develop;
- the number and characteristics of product candidates that we pursue;
- the cost, timing and outcomes of regulatory approvals;
- our ability to successfully integrate the business of Surface following consummation of the Surface Acquisition;
- the cost and timing of establishing sales, marketing and distribution capabilities;
- the terms and timing of any licensing or other arrangements to acquire intellectual property rights that we may establish, including any milestone and royalty payments thereunder;
- the timing of conversion in common shares or repayment in cash of our convertible debt, or the timing of repayment in cash, whether due or not, of our long-term debt; and
- the cost, timing and outcomes of any litigation that we may file against third parties or that may be filed against us by third parties.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders, and the issuance of additional securities, whether equity or debt, by us or the possibility of such issuance may cause the market price of our shares to decline. The sale of additional equity or convertible securities, such as the sales from time to time through our sales agreement dated November 8, 2022 ("Sales Agreement") with Cowen and Company, LLC ("TD Cowen") pursuant to which we may issue and sell from time to time up to $150.0 million of our common stock through or to TD Cowen as our sales agent or principal in an at-the-market offering ("ATM Offering"), may dilute the share ownership of our existing stockholders. The incurrence of indebtedness could result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as those contained in the loan agreement we entered into in January 2022 (as amended to date, the "Loan Agreement") with BioPharma Credit PLC, (as the "Collateral Agent"), BPCR Limited Partnership, (as a "Lender") and Biopharma Credit Investments V (Master) LP, acting by its general partner, BioPharma Credit Investments V GP LLC (as a "Lender") that provides for a senior secured term loan facility of up to $300.0 million, including limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. For more information on our restrictive covenants please read the Loan Agreement, the First Amendment to Loan Agreement, the Second Amendment and Waiver to Loan Agreement, and Consent, Partial Release and Third Amendment dated February 5, 2024 (the "Consent and Amendment") among us, the Collateral Agent and the Lenders filed as exhibits to our public filings. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage or for a lower price than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or for specific strategic considerations.

We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage or for a lower price than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or for specific strategic considerations.

If we are unable to obtain funding on a timely basis or at all, stay profitable or generate any net profits, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any products or product candidates or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our financial condition and results of operations.

Risks Related to Launch and Commercialization of our Products and our Product Candidates

We have a limited operating history in an emerging regulatory environment on which to assess our business.

We are a biopharmaceutical company with a limited operating history in an emerging regulatory environment of biosimilar and immuno-oncology products. Although we have received upfront payments, milestone and other contingent payments and/or funding for development from some of our collaboration and license agreements, our only approved products include UDENYCA, YUSIMRY and LOQTORZI which are approved for commercialization in the United States, and we have no products approved in any other territories.

Our ability to generate meaningful revenue and remain profitable depends on our ability, alone or with strategic collaboration partners, to successfully market and sell our products, and to complete the development of, and obtain the regulatory approvals necessary to commercialize, one or more of our product pipeline candidates, which include:

- CHS-1000
- casdozokitug; and
- CHS-114.

We may not be able to continue to generate meaningful revenue from product sales, as this depends heavily on our success in many areas, including but not limited to:

- our ability to continue to successfully commercialize all three UDENYCA product presentations and LOQTORZI;
- our ability to successfully commercialize YUSIMRY in a very competitive adalimumab market;
- competing against numerous current and future pegfilgrastim, ranibizumab and adalimumab products with significant market share;
- healthcare providers, payers, and patients adopting our products and product candidates once approved and launched;
- our ability to procure and commercialize our in-licensed biosimilar candidates;
- obtaining additional regulatory approvals for product candidates for which we complete clinical studies;
- obtaining adequate third-party coverage and reimbursements for our products;
- obtaining market acceptance of our products and product candidates as viable treatment options;
- completing nonclinical and clinical development of our product candidates;
- developing and testing of our product formulations;
- attracting, hiring and retaining qualified personnel;
- developing a sustainable and scalable manufacturing process for our products and any approved product candidates and establishing and maintaining supply and manufacturing relationships with third parties that can conduct the process and provide adequate (in amount and quality) products to support clinical development and the market demand for our products and product candidates, if approved;
- addressing any competing technological and market developments;
- identifying, assessing and developing (or acquiring/in-licensing on favorable terms) new product candidates;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how; and
- defending against any litigation including patent or trade secret infringement lawsuits, which may be filed against us, or achieving successful outcomes of IPR petitions that we have filed, or may in the future file, against third parties.

Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs to commercialize any such product. Our expenses could increase beyond our expectations if we are required by the FDA, the European Medical Agency (the "EMA"), other regulatory agencies, domestic or foreign, or by any unfavorable outcomes in intellectual property litigation filed against us, to change our manufacturing processes or assays or to perform clinical, nonclinical or other types of studies in addition to those that we currently anticipate. In cases where we are successful in obtaining additional regulatory approvals to market one or more of our product candidates, our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the number of biosimilar or immuno-oncology competitors in such markets, the accepted price for the product, the ability to get reimbursement at any price, the nature and degree of competition from originators and other biosimilar or immuno-oncology companies (including competition from large pharmaceutical companies entering the biosimilar market or possessing large established positions in the immuno-oncology market that may be able to gain advantages in the sale of biosimilar or immuno-oncology products based on brand recognition and/or existing relationships with customers and payers) and whether we own (or have partnered with companies owning) the commercial rights for that territory. If the market for our products and product candidates (or our share of that market) is not as significant as we expect, the price of our products is not what we project, the indication approved by regulatory authorities is narrower than we expect or the reasonably accepted population for treatment is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved. If we are unable to successfully complete development and obtain additional regulatory approval for our products, our business may suffer.

The commercial success of our existing products or any future products will depend upon the degree of market acceptance and adoption by prescribing physicians, healthcare providers and the patients to whom our medicines are prescribed. Additionally, obtaining placement on national and/or local clinical guidelines/pathways, as well as coverage on third-party payor formularies, can impact our short and long-term financial performance.

Even with the requisite approvals from the FDA and comparable foreign regulatory authorities, the commercial success of our products or product candidates, if approved, will depend in part on the medical community, patients and third-party payers accepting our products and product candidates as medically useful, cost-effective and safe. Any product that we bring to the market may not gain market acceptance by physicians, patients, third-party payers and others in the medical community. The degree of market acceptance of our recently launched product, LOQTORZI, or any of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the safety and efficacy of the product, as demonstrated in clinical studies, and potential advantages over competing treatments;
- the prevalence and severity of any side effects and any limitations or warnings contained in a product's approved labeling;
- the clinical indications for which approval is granted;
- for our immuno-oncology product candidates, our ability to compete in a competitive immuno-oncology market that may differ from the biosimilar market;
- inclusion, in either parity or better position, on commonly accepted clinical guidelines or pathways that influence prescribing patterns and/or affect reimbursement;
- relative convenience, ease of administration and any real or perceived benefit from administration at home as opposed to in the clinic;
- prevalence of the disease or condition for which the product is approved;
- the cost of treatment, particularly in relation to competing treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support and timing of market introduction of competitive products;
- the extent to which the product is approved for inclusion on formularies of hospitals, integrated delivery networks and managed care organizations;
- publicity concerning our products or competing products and treatments;
- the extent to which third-party payers (including government and national/regional commercial plans) provide adequate third-party coverage and reimbursement for our products and product candidates, if approved;
- the price at which we sell our products;

- the potential impact of the IRA on the pharmaceutical industry and the market for biosimilars;
- the actions taken by current and future competitors to delay, restrict or block customer usage of the product; and
- our ability to maintain compliance with regulatory requirements.

Market acceptance of any future product candidates, if approved, will not be fully known until after they are launched and may be negatively affected by a potential poor safety experience and the track record of other biosimilar and immuno-oncology products and product candidates. Further, continued market acceptance of UDENYCA, LOQTORZI and YUSIMRY, and any future product candidates that may be approved, depends on our efforts to educate the medical community and third-party payers on the benefits of our products and product candidates and will require significant resources from us and we have significantly less resources compared to large, well-funded pharmaceutical entities. Given the resource disparity, our outreach may have little success or may never be successful. If our products or any future product candidates that are approved fail to achieve an adequate level of acceptance by physicians, patients, third-party payers and others in the medical community, we will not be able to generate sufficient revenue to sustain profitability.

The third-party coverage and reimbursement status of our products are uncertain. Failure to obtain or maintain adequate coverage and reimbursement for new or current products could limit our ability to market those products and decrease our ability to generate revenue.

Pricing, coverage and reimbursement of our products, or any of our product candidates, if approved, may not be adequate to support our commercial infrastructure. The prices required to successfully compete may not continue to be sufficient to recover our development and manufacturing costs, and as a result, we may not be profitable in the future. Accordingly, the availability and adequacy of coverage and reimbursement by governmental and commercial payers are essential to enable provider/patient access to our products and our patient support services must be sufficiently scaled to meet the needs of patients receiving our products. Sales will depend substantially, both domestically and abroad, on the extent to which the costs of our products will be paid for by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations or reimbursed by government authorities, private health insurers and other third-party payers. If coverage and reimbursement are not available, or are available only to limited levels, or become unavailable, we may not be able to successfully commercialize our products or any of our product candidates, if approved. Even if coverage is provided, the approved reimbursement amount may not be adequate to allow us to establish or maintain pricing sufficient to realize a return on our investment.

There is significant uncertainty related to third-party coverage and reimbursement of newly approved products. In the United States, third-party payers, including private and governmental payers such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs and biologics will be covered and reimbursed. The Medicare program covers certain individuals aged 65 or older or those who are disabled or suffering from end-stage renal disease. The Medicaid program, which varies from state to state, covers certain individuals and families who have limited financial means. The Medicare and Medicaid programs increasingly are used as models for how private payers and other governmental payers develop their coverage and reimbursement policies for drugs and biologics. It is difficult to predict what third-party payers will decide with respect to the coverage and reimbursement for any newly approved product. In addition, in the United States, no uniform policy of coverage and reimbursement for biologics exists among third-party payers. Therefore, coverage and reimbursement for biologics can differ significantly from payer to payer. As a result, the process for obtaining favorable coverage determinations often is time-consuming and costly and may require us to provide scientific and clinical support for the use of our products to each payer separately, with no assurance that coverage and adequate reimbursement will be obtained.

Effective January 2019, CMS assigned a product specific Q-Code to UDENYCA, which is necessary to enable providers to separately bill for UDENYCA to have its own reimbursement rate with Medicare or other third-party payers. However, reimbursement is not guaranteed, and rates may vary based on product life cycle, site of care, type of payer, coverage decisions, and provider contracts. Furthermore, while payers have adopted the Q-Codes assigned by CMS for UDENYCA, there remains uncertainty as to whether such payers will continue to cover and pay providers for the administration and use of the product with each patient or may favor competing products. If our products or any of our future product candidates, are not covered or adequately reimbursed by third-party payers, including Medicare, then the cost of the relevant product may be absorbed by healthcare providers or charged to patients. If this is the case, our expectations of the pricing we expect to achieve for such product and the related potential revenue, may be significantly diminished.

Outside of the United States, pharmaceutical businesses are generally subject to extensive governmental price controls and other market regulations. We believe the increasing emphasis on cost-containment initiatives in Europe, Canada and other countries has and will continue to put pressure on the pricing and usage of our product candidates. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for

medical products but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

Increasing efforts by governmental and third-party payers in the United States and abroad to control healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our products or any of our product candidates. While cost containment practices generally benefit biosimilars, severe cost containment practices may adversely affect our product sales. Furthermore, the impact of the IRA on our business and the pharmaceutical industry generally is currently unknown. We expect to experience pricing pressures in connection with the sale of our products and any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes.

Our products and our product candidates, even if approved, will remain subject to regulatory scrutiny.

Our products and our product candidates, even If approved, will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies and submission of safety, efficacy and other post-market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, and comparable foreign regulatory authority, requirements, including ensuring that quality control and manufacturing procedures conform to "cGMP" regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA, original BLA submitted under Section 351(a) of the Public Health Service Act PHSA, Section 351(k) BLA or MAA. Accordingly, we and others with whom we work must continue to spend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

Any regulatory approvals that we or our collaboration partners receive for our product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval or may contain requirements for potentially costly additional clinical trials and surveillance to monitor the safety and efficacy of the product candidate. We will be required to report certain adverse events and production problems, if any, to the FDA and comparable foreign regulatory authorities. Any new legislation addressing drug safety issues could result in delays in product development or commercialization or increased costs to ensure compliance. We will have to comply with requirements concerning advertising and promotion for our products. 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 product's approved label. As such, we may not promote our products for indications or uses for which they do not have approval. If our product candidates are approved, we must submit new or supplemental applications and obtain approval for certain changes to the approved products, product labeling or manufacturing process. We or our collaboration partners could also be asked to conduct post-marketing clinical studies to verify the safety and efficacy of our products in general or in specific patient subsets. If original marketing approval is obtained via an accelerated biosimilar approval pathway, we could be required to conduct a successful post-marketing clinical study to confirm clinical benefit for our products. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing approval.

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

- issue warning letters;
- impose civil or criminal penalties;
- suspend or withdraw regulatory approval;
- suspend any of our ongoing clinical studies;
- refuse to approve pending applications or supplements to approved applications submitted by us;

- impose restrictions on our operations, including closing our contract manufacturers' facilities; or
- seize or detain products or require a product 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 products. 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 FDA's and other regulatory authorities' policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations.

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, China or other foreign countries.

Disruptions at the FDA and other government agencies caused by funding shortages, government shut-downs or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, and conduct inspections of manufacturing facilities, or otherwise prevent new or modified products from being developed, or approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, government shut-downs, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new drugs and biologics or modifications to approved drugs and biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the United States government has periodically shut down and certain regulatory agencies, such as the FDA, had to furlough critical FDA employees and stop critical activities.

Separately, in response to the COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. Even though the FDA has since resumed standard inspection operations, any resurgence of the virus or emergence of new variants may lead to further administrative or inspectional delays. If a prolonged government shutdown occurs 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.

Risks Related to Competitive Activity

Our biosimilar products face significant competition from the reference products and from other biosimilar products or pharmaceuticals approved for the same indication as the originator products. Our product LOQTORZI and product candidate CHS-114, if approved, will face significant competition from other immuno-oncology biologics. If we fail to compete effectively, we may not achieve significant market penetration and expansion.

We operate in highly competitive pharmaceutical markets. Successful competitors in the pharmaceutical market have demonstrated the ability to effectively discover molecules, obtain patents, develop, test and obtain regulatory approvals for products, as well as an ability to effectively commercialize, market and promote approved products. Numerous companies, universities and other research institutions are engaged in developing, patenting, manufacturing and marketing of products competitive with those that we are developing. Many of these potential competitors are large, experienced multinational pharmaceutical and biotechnology companies that enjoy significant competitive advantages, such as substantially greater financial, research and development, legal, governmental affairs, manufacturing, personnel, and marketing resources, with additional benefits of mergers and acquisitions.

LOQTORZI recently entered a competitive market in the United States where a number of anti-PD-1 or PD-L1 antibody drugs have been approved by the FDA including the following marketed products from several competitors: Keytruda® (pembrolizumab) from Merck, Opdivo® (nivolumab) from BMS, Tecentriq® (atezolizumab) from Genentech, Imfinzi® (durvalumab) from AstraZeneca, Bavencio®

(avelumab) from EMD Serono Inc. and Pfizer, and Libtayo® (cemiplimab-rwlc) from Regeneron and Sanofi, and Jemperli (dostarlimab-gxly) from GlaxoSmithKline. In addition to LOQTORZI, multiple other competitors are seeking to develop and approve novel anti-PD-1 or PD-L1 antibody drugs in the United States in the coming years, including but not limited to BeiGene, Ltd. (in collaboration with Novartis). As the only immunotherapy approved by the FDA for the treatment of NPC, we believe LOQTORZI addresses a potentially high unmet need.

CHS-114, if approved, faces competition from programs in development specifically targeting CCR8, including those by Bristol-Myers Squibb Company, Gilead/Jounce, Shionogi, AbbVie, Bayer, LaNova and Immunophage;

UDENYCA faces competition in the United States from Amgen, Viatris, Sandoz, Pfizer, and Spectrum, and is expected to face competition from Amneal and Fresenius, each of which has announced the approval of a pegfilgrastim biosimilar and have launched their products for sale in the United States.

YUSIMRY, following our launch in July 2023, faces competition in the United States from AbbVie (the holder of rights to Humira), Amgen (Amjevita™ (adalimumab-atto)), Sandoz (Hyrimoz™ (adalimumab-adaz)), Samsung Bioepis (Hadlima™ (adalimumab-bwwd)), Pfizer (Abrilada™ (adalimumab-afzb)), Boehringer Ingelheim (Cyltezo™ (adalimumab-adbm)) as well as Viatris / Biocon (Hulio® (adalimumab-fkjp)), Alvotech Holdings S.A. and Fresenius, each a company that has disclosed development plans for a Humira biosimilar candidate. As a result of continued expected competition from Humira and a large number of potential adalimumab (Humira) biosimilar competitors, we may not be able to achieve substantial topline sales for YUSIMRY in the United States.

These companies may also have greater brand recognition and more experience in conducting preclinical testing and clinical trials of product candidates, obtaining FDA and other regulatory approvals of products and marketing and commercializing products once approved.

Additionally, many manufacturers of originator products have increasingly used legislative, regulatory and other means, such as litigation, to delay regulatory approval and to seek to restrict competition from manufacturers of biosimilars. These efforts may include or have included:

- settling, or refusing to settle, patent lawsuits with biosimilar companies, resulting in such patents remaining an obstacle for biosimilar approval;
- submitting Citizen Petitions to request the FDA Commissioner to take administrative action with respect to prospective and submitted biosimilar applications;
- appealing denials of Citizen Petitions in United States federal district courts and seeking injunctive relief to reverse approval of biosimilar applications;
- restricting access to reference brand products for equivalence and biosimilarity testing that interferes with timely biosimilar development plans;
- attempting to influence potential market share by conducting medical education with physicians, payers, regulators and patients claiming that biosimilar products are too complex for biosimilar approval or are too dissimilar from originator products to be trusted as safe and effective alternatives;
- implementing payer market access tactics that benefit their brands at the expense of biosimilars;

  seeking state law restrictions on the substitution of biosimilar products at the pharmacy without the intervention of a physician or through other restrictive means such as excessive recordkeeping requirements or patient and physician notification;
- seeking federal or state regulatory restrictions on the use of the same non-proprietary name as the reference brand product for a biosimilar or interchangeable biologic;
- seeking changes to the United States Pharmacopeia, an industry recognized compilation of drug and biologic standards;
- obtaining new patents covering existing products or processes, which could extend patent exclusivity for a number of years or otherwise delay the launch of biosimilars; and
- influencing legislatures so that they attach special patent extension amendments to unrelated federal legislation.

Our products and our product candidates, if approved, could face price competition from other products or biosimilars of the same reference products for the same indication. This price competition could exceed our capacity to respond, detrimentally affecting our market share and revenue as well as adversely affecting the overall financial health and attractiveness of the market for the biosimilar.

Competitors in the biosimilar market have the ability to compete on price through PBMs, payers and their third-party administrators, IDNs and hospitals who exert downward pricing pressure on our product offerings. It is possible our biosimilar competitors' compliance with price discounting demands in exchange for market share or volume requirements could exceed our capacity to respond in kind and reduce market prices beyond our expectations. There could be similar price competition in the immuno-oncology market that could adversely affect our results in the future. Such practices may limit our ability to increase market share and may also impact profitability.

We face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, less costly, easier to administer or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our product candidates.

Many of our competitors have substantially greater financial, technical and other resources, such as larger research and development staff and more experienced marketing and manufacturing organizations. Additional mergers and acquisitions in the pharmaceutical industry may result in even more resources being concentrated in our competitors. As a result, these companies may obtain regulatory approval more rapidly than we are able to and may be more effective in selling and marketing their products. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis, products that are more effective or less costly than any product candidate that we may develop; they may also obtain patent protection that could block our products; and they may obtain regulatory approval, product commercialization and market penetration earlier than we do. Our competitors may have products that are easier to administer than our products, which could adversely affect our results, such as due to the observed trend that a large number of patients demonstrate a preference to administer medication at home due to COVID-19 or other factors. Biosimilar or immuno-oncology product candidates developed by our competitors may render our potential product candidates uneconomical, less desirable or obsolete, and we may not be successful in marketing our product candidates against competitors.

If other competitors to LOQTORZI (in indications besides NPC), casdozokitug and CHS-114 are approved and successfully commercialized before LOQTORZI (in indications besides NPC), casdozokitug and CHS-114, our business would suffer.

There are a number of companies that currently commercialize PD-1/PD-L1 blocking antibodies or are developing such compounds for commercialization in the United States. If other competitors to LOQTORZI (in indications besides NPC), casdozokitug and CHS-114 are successfully commercialized before LOQTORZI (in indications besides NPC), casdozokitug and CHS-114, we may never achieve meaningful market share for these products, our revenue would be reduced and, as a result, our business, prospects and financial condition could suffer.

If an improved version of an originator product, such as Neulasta or Humira, is developed or if the market for the originator product significantly declines, sales of our biosimilar products may suffer.

Originator companies may develop improved versions of a reference product as part of a life cycle extension strategy and may obtain regulatory approval of the improved version under a new or supplemental BLA submitted to the applicable regulatory authority. Should the originator company succeed in obtaining an approval of an improved biologic product, it may capture a significant share of the collective reference product market in the applicable jurisdiction and significantly reduce the market for the reference product and thereby the potential size of the market for our biosimilar products. In addition, the improved product may be protected by additional patent rights that may subject our follow-on biosimilar to claims of infringement.

Biologic reference products may also face competition as technological advances are made that may offer patients a more convenient form of administration or increased efficacy or as new products are introduced. External developments can also result in changing preferences for convenient forms of administration of products that may impact our business. As new products are approved that compete with the reference product to our biosimilar products, sales of the reference originator product may be adversely impacted or rendered obsolete. If the market for the reference product is impacted, we may lose significant market share for our approved biosimilar products. As a result of the above factors, our business, prospects and financial condition could suffer.

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

Our development of novel biologic product candidates, such as casdozokitug and CHS-114, subjects us to additional risks relating to biosimilar competition. In particular, under the Biologics Price Competition and Innovation Act of 2009 ("BPCIA"), an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product.

We believe that LOQTORZI and any of our future product candidates approved under an original BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to Congressional action or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, could be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products will depend on a number of marketplace and regulatory factors that are still developing.

Risks Related to Our Ability to Hire and Retain Highly Qualified Personnel

We are highly dependent on the services of our key executives and personnel, including our President and Chief Executive Officer, Dennis M. Lanfear, and if we are not able to retain these members of our management or recruit additional management, product development and scientific personnel, our business will suffer.

We are highly dependent on the principal members of our management and scientific and technical staff. The loss of service of any of our management or key scientific and technical staff could harm our business. In addition, we are dependent on our continued ability to attract, retain and motivate highly qualified additional management, product development and scientific personnel. If we are not able to retain our management, particularly our President and Chief Executive Officer, Mr. Lanfear, and to attract, on acceptable terms, additional qualified personnel necessary for the continued development of our business, we may not be able to sustain our operations or grow.

Our future performance will also depend, in part, on our ability to successfully integrate newly hired executive officers into our management team and our ability to develop an effective working relationship among senior management. Our failure to integrate these individuals and create effective working relationships among them and other members of management could result in inefficiencies in the development and commercialization of our product candidates, harming future regulatory approvals, sales of our product candidates and our results of operations. Additionally, we do not currently maintain "key person" life insurance on the lives of our executives or any of our employees.

We will need to expand and effectively manage our managerial, scientific, operational, financial, commercial and other resources in order to successfully pursue our product development and commercialization efforts. Our success also depends on our continued ability to attract, retain and motivate highly qualified management and technical personnel. We may not be able to attract or retain qualified management and scientific and product development personnel in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses, particularly those located in the San Francisco Bay Area. We also use equity compensation as a part of a comprehensive compensation package for our personnel. The majority of our outstanding options have exercise prices that are above our current stock price. If we are not able to attract, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

We may need to expand our organization, particularly due to employee turnover, and we may experience difficulties in managing this turnover, which could disrupt our operations.

As of December 31, 2023, we had 306 full-time and part-time employees. As our development and commercialization plans and strategies develop and evolve from time to time, and as we experience turnover, we may need to hire additional people in the future. Our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these hiring activities. We may not be able to effectively manage during a period of employee turnover, which

may result in weaknesses in our infrastructure, 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 current and potential future product candidates. If our management is unable to effectively manage our turnover, our expenses may increase more than expected, our ability to generate and/or grow revenue could be reduced. Our future financial performance and our ability to commercialize product candidates and compete effectively will depend, in part, on our ability to effectively manage any future growth.

Risks Related to Reliance on Third Parties

We rely on third parties to conduct our nonclinical and clinical studies and perform other tasks for us. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon third-party clinical research organizations ("CROs") to monitor and manage data for our ongoing nonclinical and clinical programs. We rely on these parties for execution of our nonclinical and clinical studies and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards and our reliance on the CROs does not relieve us of our regulatory responsibilities. We and our CROs and other vendors are required to comply with cGMP, GCP, and GLP, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the EEA and comparable foreign regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these regulations through periodic inspections or remote regulatory assessments ("RRAs") of study sponsors, principal investigators, study sites and other contractors. If we, any of our CROs, service providers or investigators fail to comply with applicable regulations or GCPs, the data generated in our nonclinical and clinical studies may be deemed unreliable and the FDA, EMA or comparable foreign regulatory authorities may require us to perform additional nonclinical and clinical studies before approving our marketing applications. There can be no assurance that upon inspection or conclusion of an RRA by a given regulatory authority, such regulatory authority will determine that any of our clinical studies comply with GCP regulations. In addition, our clinical studies must be conducted with product generated under cGMP regulations. Failure to comply by any of the participating parties or ourselves with these regulations may require us to repeat clinical studies, which would delay the regulatory approval process. Moreover, our business may be implicated if our CRO or any other participating parties violate federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our on-going nonclinical and clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to our protocols, regulatory requirements or for other reasons, our clinical studies may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. CROs may also generate higher costs than anticipated. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, a transition period is necessary when a new CRO commences work, which can materially impact our ability to meet our desired clinical development timelines. Though we strive to carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, prospects and financial condition.

We rely on third parties, and in some cases a single third party, to manufacture nonclinical, clinical and commercial drug supplies of our product candidates and to store critical components of our product candidates for us. Our business could be harmed if those third parties fail to provide us with sufficient quantities of product candidates or fail to do so at acceptable quality levels or prices.

We do not currently have the infrastructure or capability internally to manufacture supplies of our product candidates for use in our nonclinical and clinical studies, and we lack the resources and the capability to manufacture any of our product candidates on a clinical or commercial scale. We rely on third-party manufacturers to manufacture and supply us with our product candidates for our preclinical and clinical studies as well as to establish commercial supplies of our product candidates. Successfully transferring complicated manufacturing techniques to contract manufacturing organizations and scaling up these techniques for commercial quantities is time consuming and we

may not be able to achieve such transfer or do so in a timely manner. Moreover, the availability of contract manufacturing services for protein-based therapeutics is highly variable and there are periods of relatively abundant capacity alternating with periods in which there is little available capacity. If our need for contract manufacturing services increases during a period of industry-wide production capacity shortage, we may not be able to produce our product candidates on a timely basis or on commercially viable terms. Although we will plan accordingly and generally do not begin a clinical study unless we believe we have a sufficient supply of a product candidate to complete such study, any significant delay or discontinuation in the supply of a product candidate for an ongoing clinical study due to the need to replace a third-party manufacturer could considerably delay completion of our clinical studies, product testing and potential regulatory approval of our product candidates, which could harm our business and results of operations.

Reliance on third-party manufacturers entails additional risks, including reliance on the third party for regulatory compliance and quality assurance, the possible breach of the manufacturing agreement by the third party and the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us. In addition, third-party manufacturers may not be able to comply with cGMP or similar regulatory requirements outside the United States. 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 products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates or any other product candidates or products that we may develop. Any failure or refusal to supply the components for our product candidates that we may develop could delay, prevent or impair our clinical development or commercialization efforts. If our contract manufacturers were to breach or terminate their manufacturing arrangements with us, the development or commercialization of the affected products or product candidates could be delayed, which could have an adverse effect on our business. Any change in our manufacturers could be costly because the commercial terms of any new arrangement could be less favorable and because the expenses relating to the transfer of necessary technology and processes could be significant.

If any of our product candidates are approved, in order to produce the quantities necessary to meet anticipated market demand, any contract manufacturer that we engage may need to increase manufacturing capacity. If we are unable to build and stock our product candidates in sufficient quantities to meet the requirements for the launch of these candidates or to meet future demand, our revenue and gross margins could be adversely affected. Although we believe that we will not have any material supply issues, we cannot be certain that we will be able to obtain long-term supply arrangements for our product candidates or materials used to produce them on acceptable terms, if at all. If we are unable to arrange for third-party manufacturing, or to do so on commercially reasonable terms, we may not be able to complete development of our product candidates or market them.

We are dependent on Junshi Biosciences and Orox for the commercialization of our product candidates in certain markets and we intend to seek additional commercialization partners for major markets, and the failure to commercialize in those markets could have a material adverse effect on our business and operating results.

We have exclusive licenses from Junshi Biosciences to develop and commercialize LOQTORZI in the United States and Canada. Our licensors are responsible for supplying us with drug substance and final drug products.

Our exclusive licensee, Orox, is responsible for commercialization of certain of our products and product candidates, including UDENYCA and YUSIMRY in certain Caribbean and Latin American countries (excluding Brazil, and in the case of UDENYCA, also excluding Argentina).

Our licenses with Junshi Biosciences, Bioeq, Orox, or other future license or collaboration agreements, may not result in positive outcomes. Factors that may affect the success of our licenses and collaborations include, but are not limited to, the following:

- our existing and potential collaboration partners may fail to provide sufficient amounts of commercial products, including because of import restrictions, or they may be ineffective in doing so;
- our existing and potential collaboration partners may fail regulatory inspections or RRAs which may preclude or delay the delivery of commercial products;
- our existing and potential collaboration partners may fail to exercise commercially reasonable efforts to market and sell our products in their respective licensed jurisdictions or they may be ineffective in doing so;
- our existing and potential licensees and collaboration partners may incur financial, legal or other difficulties that force them to limit or reduce their participation in our joint projects;

- our existing and potential licensees and collaboration partners may terminate their licenses or collaborations with us, which could make it difficult for us to attract new partners or adversely affect perception of us in the business and financial communities; and
- our existing and potential licensees and collaboration partners may choose to pursue alternative, higher priority programs, which could affect their commitment to us.

Moreover, any disputes with our licensees and collaboration partners will substantially divert the attention of our senior management from other business activities and will require us to incur substantial costs associated with litigation or arbitration proceedings. If we cannot maintain successful license and collaboration arrangements, our business, financial condition and operating results may be adversely affected.

Risks Related to Manufacturing and Supply Chain

We are subject to a multitude of manufacturing risks and the risks of inaccurately forecasting sales of our products. We also need to make a determination of excess or obsolete inventory that requires significant judgment and may result in write-downs of inventory, charges related to firm purchase commitments, or both. Any adverse developments affecting the manufacturing operations of our products and product candidates could substantially increase our costs and limit supply for our products and product candidates.

The process of manufacturing our product candidates is complex, highly regulated and subject to several risks, including but not limited to:

- product loss due to contamination, equipment failure or improper installation or operation of equipment or vendor or operator error;
- equipment failures, labor shortages, natural disasters, power failures and numerous other factors associated with the manufacturing facilities in which our product candidates are produced, and potentially exacerbated by climate change; and
- disruption of supply chains for critical and specialized raw materials, delays in regulatory inspections of manufacturing and testing facilities, and reduced manufacturing capacities created by global events such as the COVID-19 pandemic and the ongoing conflict in Ukraine.

We have experienced reduced production yields, product defects and other supply disruptions. For example, we have experienced failures with respect to the manufacturing of certain lots of each of our product candidates resulting in delays prior to our taking corrective action. Additionally, if microbial, viral or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

Any adverse developments affecting manufacturing operations for our products and product candidates, including due to sudden or long-term changes in weather patterns or conflicts in particular geographic areas, may result in shipment delays, inventory shortages, lot failures, withdrawals or recalls or other interruptions in the supply of our product candidates. We also need to make a determination of excess or obsolete inventory that requires significant judgment and includes consideration of many factors, such as estimates of future product demand, current and future market conditions, product expiration information and potential product obsolescence, among others. Although we believe that the assumptions we use in estimating potential inventory write-downs are reasonable, if actual market conditions are less favorable than projected by us, write-downs of inventory, charges related to firm purchase commitments, or both may be required which would be recorded as cost of goods sold in our consolidated statements of operations. Adverse developments affecting our assumptions of the level and timing of demand for our products include those that are outside of our control such as the actions taken by competitors and customers, the direct or indirect effects of the COVID-19 pandemic, and other factors. We may have to take inventory write-downs and incur other charges and expenses, such as charges related to firm purchase commitments, for products that are manufactured in reliance on a forecast that proves to be inaccurate because we do not sell as many units as forecasted. For example, during the third quarter of 2022, we recorded a $26.0 million write-down of UDENYCA inventory that was at risk of expiration and during the fourth quarter of 2023, we recorded a $47.0 million charge for the write-down of slow moving YUSIMRY inventory and the related partial recognition of certain firm purchase commitments. Although we believe that the assumptions that we use in estimating inventory write-downs are reasonable, additional write-downs of inventory may be required in the future if actual market conditions are less favorable than our projections, which could materially and adversely impact our financial results. In addition to such write-downs, we may also have to incur charges and expenses related to firm purchase commitments or for product candidates that fail to meet specifications, undertake costly remediation efforts or seek costlier manufacturing alternatives.

We currently engage single suppliers for manufacture, clinical trial services, formulation development and product testing of our product candidates. The loss of any of these suppliers or vendors could materially and adversely affect our business.

For our products and our product candidates, we currently engage a distinct vendor or service provider for each of the principal activities supporting our manufacture and development of these products, such as manufacture of the biological substance present in each of the products, manufacture of the final filled and finished presentation of these products, as well as laboratory testing, formulation development and clinical testing of these products. Because we currently have engaged a limited number of back-up suppliers or vendors for these single-sourced services, and although we believe that there are alternate sources that could fulfill these activities, we cannot assure you that identifying and establishing relationships with alternate suppliers and vendors would not result in significant delay in the development of our product candidates. Additional delays or cost increases could occur due to the direct or indirect effects of the COVID-19 pandemic and the ongoing conflict in Ukraine. Additionally, we may not be able to enter into arrangements with alternative service providers on commercially reasonable terms or at all. A delay in the development of our product candidates, or having to enter into a new agreement with a different third party on less favorable terms than we have with our current suppliers, could have a material adverse impact on our business.

We and our collaboration partners and contract manufacturers are subject to significant regulation with respect to manufacturing our product candidates. The manufacturing facilities on which we rely may not continue to meet regulatory requirements or may not be able to meet supply demands.

All entities involved in the preparation of therapeutics for clinical studies or commercial sale, including our existing contract manufacturers for our product candidates, are subject to extensive regulation. Components of a finished therapeutic product approved for commercial sale or used in clinical studies must be manufactured in accordance with cGMP. These regulations govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of contaminants or to inadvertent changes in the properties or stability of our product candidates that may not be detectable in final product testing. We, our collaboration partners, or our contract manufacturers must supply all necessary documentation in support of a Section 351(k) BLA, original BLA, NDA or MAA on a timely basis and must adhere to GLP and cGMP regulations enforced by the FDA and other regulatory agencies through their facilities inspection program. Some of our contract manufacturers may have never produced a commercially approved pharmaceutical product and therefore have not obtained the requisite regulatory authority approvals to do so. The facilities and quality systems of some or all of our collaboration partners and third-party contractors must pass a pre-approval inspection for compliance with the applicable regulations as a condition of regulatory approval of our product candidates or any of our other potential products. In addition, the regulatory authorities may, at any time, audit or inspect a manufacturing facility involved with the preparation of our product candidates or our other potential products or the associated quality systems for compliance with the regulations applicable to the activities being conducted. Although we oversee the contract manufacturers, we cannot control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with the regulatory requirements. If these facilities do not pass a pre-approval plant inspection, regulatory approval of the products may not be granted or may be substantially delayed until any violations are corrected to the satisfaction of the regulatory authority, if ever.

The regulatory authorities also may, at any time following approval of a product for sale, inspect, audit or initiate an RRA of the manufacturing facilities of our collaboration partners and third-party contractors. If any such inspection, audit or RRA identifies a failure to comply with applicable regulations or if a violation of our product specifications or applicable regulations occurs independent of such an inspection, audit or RRA, we or the relevant regulatory authority may require remedial measures that may be costly and/or time consuming for us or a third party to implement and that may include the temporary or permanent suspension of a clinical study or commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business.

If we, our collaboration partners or any of our third-party manufacturers fail to maintain regulatory compliance, the FDA or other applicable regulatory authority can impose regulatory sanctions including, among other things, refusal to approve a pending application for a new product candidate, withdrawal of an approval or suspension of production. As a result, our business, financial condition and results of operations may be materially harmed.

Additionally, if supply from one approved manufacturer is interrupted, an alternative manufacturer would need to be qualified through a PAS, NDA supplement or MAA variation or equivalent foreign regulatory filing, which could result in further delay. The regulatory agencies may also require additional studies if a new manufacturer is relied upon for commercial production. Switching manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

These factors could cause us to incur additional costs and could cause the delay or termination of clinical studies, regulatory submissions, required approvals or commercialization of our product candidates. Furthermore, if our suppliers fail to meet contractual requirements and we are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, our clinical studies may be delayed or we could lose potential revenue.

The structure of complex proteins used in protein-based therapeutics is inherently variable and highly dependent on the processes and conditions used to manufacture them. If we are unable to develop manufacturing processes that achieve a requisite degree of biosimilarity to the originator drug, and within a range of variability considered acceptable by regulatory authorities, we may not be able to obtain regulatory approval for our biosimilar products.

Protein-based therapeutics are inherently heterogeneous and their structures are highly dependent on the production process and conditions. Products from one production facility can differ within an acceptable range from those produced in another facility. Similarly, physicochemical differences can also exist among different lots produced within a single facility. The physicochemical complexity and size of biologic therapeutics create significant technical and scientific challenges in the context of their replication as biosimilar products.

The inherent variability in protein structure from one production lot to another is a fundamental consideration with respect to establishing biosimilarity to an originator product to support regulatory approval requirements. For example, the glycosylation of the protein, meaning the manner in which sugar molecules are attached to the protein backbone of a therapeutic protein when it is produced in a living cell, is critical to therapeutic efficacy, half-life, efficacy and even safety of the therapeutic and is therefore a key consideration for biosimilarity. Defining and understanding the variability of an originator molecule in order to match its glycosylation profile requires significant skill in cell biology, protein purification and analytical protein chemistry. Furthermore, manufacturing proteins with reliable and consistent glycosylation profiles at scale is challenging and highly dependent on the skill of the cell biologist and process scientist.

There are extraordinary technical challenges in developing complex protein-based therapeutics that not only must achieve an acceptable degree of similarity to the originator molecule in terms of characteristics such as the unique glycosylation pattern, but also the ability to develop manufacturing processes that can replicate the necessary structural characteristics within an acceptable range of variability sufficient to satisfy regulatory authorities.

Given the challenges caused by the inherent variability in protein production, we may not be successful in developing our biosimilar products if regulators conclude that we have not achieved a sufficient level of biosimilarity to the originator product, or that the processes we use are unable to generate our products within an acceptable range of variability.

Risks Related to Adverse Events

Our products or our product candidates may cause undesirable side effects or have other properties that could, as applicable, delay or prevent their regulatory approval, limit the commercial profile of an approved label or result in significant negative consequences following marketing approval, if granted.

As with most pharmaceutical products, use of our products or our product candidates could be associated with side effects or adverse events, which can vary in severity (from minor reactions to death) and frequency (infrequent or prevalent). Side effects or adverse events associated with the use of our product candidates may be observed at any time, including in clinical trials or when a product is commercialized. Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical studies and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign authorities. Results of our studies could reveal a high and unacceptable severity and prevalence of side effects such as toxicity or other safety issues and could require us or our collaboration partners to perform additional studies or halt development or sale of these product candidates or expose us to product liability lawsuits, which will harm our business. In such an event, we may be required by regulatory agencies to conduct additional animal or human studies regarding the safety and efficacy of our product candidates, which we have not planned or anticipated or our studies could be suspended or terminated, and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny or withdraw approval of our product candidates for any or all targeted indications. There can be no assurance that we will resolve any issues related to any product-related adverse events to the satisfaction of the FDA or any other regulatory agency in a timely manner, if ever, which could harm our business, prospects and financial condition.

Additionally, product quality characteristics have been shown to be sensitive to changes in process conditions, manufacturing techniques, equipment or sites and other such related considerations, hence any manufacturing process changes we implement prior to or after regulatory approval could impact product safety and efficacy.

Drug-related side effects could affect patient recruitment for clinical trials, the ability of enrolled patients to complete our studies or result in potential product liability claims. We currently carry product liability insurance and we are required to maintain product liability insurance pursuant to certain of our license agreements. We believe our product liability insurance coverage is sufficient in light of our current clinical programs; however, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. A successful product liability claim or series of claims brought against us could adversely affect our results of operations and business. In addition, regardless of merit or eventual outcome, product liability claims may result in impairment of our business reputation, withdrawal of clinical study participants, costs due to related litigation, distraction of management's attention from our primary business, initiation of investigations by regulators, substantial monetary awards to patients or other claimants, the inability to commercialize our product candidates and decreased demand for our product candidates, if approved for commercial sale.

Additionally, if one or more of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including but not limited to:

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label;
- we may be required to create a REMS plan, which could include a medication guide outlining the risks of such side effects for distribution to patients, a communication plan for healthcare providers and/or other elements to assure safe use;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

If we receive approval for our product candidates, regulatory agencies including the FDA and foreign regulatory agencies, regulations require that we report certain information about adverse medical events if those products may have caused or contributed to those adverse events. The timing of our obligation to report would be triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events we become aware of within the prescribed timeframe. We may also fail to appreciate that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA or foreign regulatory agencies could take action including criminal prosecution, the imposition of civil monetary penalties, seizure of our products or extended delay in approval or clearance of future products.

Adverse events involving an originator product, or other biosimilars of such originator product, may negatively affect our business.

In the event that use of an originator product, or other biosimilar for such originator product, results in unanticipated side effects or other adverse events, it is likely that our biosimilar product will be viewed comparably and may become subject to the same scrutiny and regulatory sanctions as the originator product or other biosimilar, as applicable. Accordingly, we may become subject to regulatory supervisions, clinical holds, product recalls or other regulatory actions for matters outside of our control that affect the originator product, or other biosimilar, as applicable, if and until we are able to demonstrate to the satisfaction of our regulators that our biosimilar product is not subject to the same issues leading to the regulatory action as the originator product or other biosimilar, as applicable.

Risks Related to Intellectual Property

If we infringe or are alleged to infringe intellectual property rights of third parties, our business could be harmed. Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.

Our commercial success depends in large part on avoiding infringement of the patents and proprietary rights of third parties. There have been many lawsuits and other proceedings involving patent and other intellectual property rights in the pharmaceutical industry, including patent infringement lawsuits, interferences, oppositions and reexamination proceedings before the USPTO and corresponding foreign patent offices. Numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing product candidates. As the pharmaceutical industry expands and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties.

Our research, development and commercialization activities may infringe or otherwise violate or be claimed to infringe or otherwise violate patents owned or controlled by other parties. The companies that originated the products for which we introduced biosimilar versions, such as Amgen, AbbVie and Genentech, as well as other competitors (including other companies developing biosimilars) have developed, and are continuing to develop, worldwide patent portfolios of varying sizes and breadth, many of which are in fields relating to our business, and it may not always be clear to industry participants, including us, which patents cover various types of products or methods of use.

Third parties may assert that we are employing their proprietary technology without authorization. We are aware of third-party patents or patent applications with claims, for example, to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. While we have conducted freedom to operate analyses with respect to our products and our product candidates, including our in-licensed biosimilar candidates, as well as our pipeline candidates, we cannot guarantee that any of our analyses are complete and thorough, nor can we be sure that we have identified each patent and pending application in the United States and abroad that is relevant or necessary to the commercialization of our product candidates. Moreover, because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents covering our product candidates. With respect to products we are evaluating for inclusion in our future product pipeline, our freedom to operate analyses, including our research on the timing of potentially relevant patent expirations, are ongoing.

There may also be patent applications that have been filed but not published and if such applications issue as patents, they could be asserted against us. For example, in most cases, a patent filed today would not become known to industry participants for at least 18 months given patent rules applicable in most jurisdictions, which do not require publication of patent applications until 18 months after filing. Moreover, some United States patents may issue without any prior publication in cases where the patent applicant does not also make a foreign filing. We may also face claims from non-practicing entities that have no relevant product revenue and against whom our own patent portfolio may have no deterrent effect. In addition, coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we are sued for patent infringement, we would need to demonstrate that our product candidates, products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid and/or unenforceable, and we may not be able to do this. Proving that a patent is invalid or unenforceable is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Also, in proceedings before courts in Europe, the burden of proving invalidity of the patent usually rests on the party alleging invalidity. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on us. In addition, we may not have sufficient resources to bring these actions to a successful conclusion.

Third parties could bring claims against us that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial monetary damages. Further, if a patent infringement suit were brought against us, we could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit. Ultimately, we could be prevented from commercializing a product or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on commercially acceptable terms or at all. If, as a result of patent infringement claims or to avoid potential claims, we choose or are required to seek licenses from third parties, these licenses may not be available on acceptable terms or at all. Even if we are able to obtain a license, the license may obligate us to pay substantial license fees or royalties or both, and the rights granted to us might be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, would likely involve substantial litigation expense and would likely be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may, in addition to being blocked from the market, have to pay substantial monetary damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

On May 10, 2017, Amgen Inc. and Amgen Manufacturing Inc. filed an action against us in the United States District Court for the District of Delaware alleging infringement of one or more claims of Amgen's US patent 8,273,707 (the "'707 patent") under 35 U.S.C. § 271. The complaint seeks injunctive relief, monetary damages and attorney fees. On December 7, 2017, the United States Magistrate Judge issued under seal a Report and Recommendation to the District Court recommending that the District Court grant, with prejudice, our pending motion to dismiss Amgen's complaint for failure to state a claim pursuant to Federal Rule of Civil Procedure 12(b)(6). On March 26, 2018, Judge Stark of the District Court adopted the United States Magistrate Judge's Report and Recommendation to grant our motion pursuant to Federal Rule of Civil Procedure 12(b)(6) to dismiss with prejudice the patent infringement complaint alleging infringement of the '707 patent on the grounds that such complaint failed to state a claim upon which relief may be granted. In May 2018, Amgen filed a Notice of Appeal in the United States Court of Appeals for the Federal Circuit. We and Amgen filed briefs in this matter and oral argument

was held on May 8, 2019. On July 29, 2019, the Federal Circuit issued a precedential opinion affirming the District Court's judgment in our favor. The Federal Circuit held that the doctrine of prosecution history estoppel barred Amgen from succeeding on its infringement claim and affirmed the District Court's dismissal. In a Joint Status Report, dated September 20, 2019, Amgen stated that it does not intend to further appeal the Federal Circuit's decision. On October 11, 2019, we filed a Motion for Attorneys' Fees with the District Court. Amgen filed its Answering Brief in Opposition on November 8, 2019. On November 22, 2019, we filed our Reply Brief with the District Court. On November 30, 2020, the District Court issued an order denying our motion.

On January 24, 2019, we entered into settlement and license agreements with AbbVie, which grant us global, royalty-bearing, non-exclusive license rights under AbbVie's intellectual property to commercialize YUSIMRY. The global settlements resolved all the pending disputes between the parties related to YUSIMRY. Under the United States settlement, our license period in the United States commenced on July 1, 2023.

In addition to infringement claims against us, we may become a party to other patent litigation and other proceedings, including interference, IPR, derivation or post-grant proceedings declared or granted by the USPTO and similar proceedings in foreign countries, regarding intellectual property rights with respect to our current or future products. An unfavorable outcome in any such proceeding could require us to cease using the related technology or to attempt to license rights to it from the prevailing party or could cause us to lose valuable intellectual property rights. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, if any license is offered at all. Litigation or other proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may also become involved in disputes with others regarding the ownership of intellectual property rights. For example, we jointly develop intellectual property with certain parties, and disagreements may therefore arise as to the ownership of the intellectual property developed pursuant to these relationships. If we are unable to resolve these disputes, we could lose valuable intellectual property rights.

Third parties may submit applications for patent term extensions in the United States or other jurisdictions where similar extensions are available and/or Supplementary Protection Certificates in the E.U. states and Switzerland seeking to extend certain patent protection, which, if approved, may interfere with or delay the launch of one or more of our products.

The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Patent litigation and other proceedings may fail, and even if successful, may result in substantial costs and distract our management and other employees. The companies that originated the products for which we intend to introduce biosimilar versions, as well as other competitors (including other biosimilar companies) 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 proceedings could impair our ability to compete in the marketplace.

We do not know whether any of our pending patent applications will result in the issuance of any patents or whether the rights granted under any patents issuing from these applications will prevent any of our competitors from marketing similar products that may be competitive with our own. Moreover, even if we do obtain issued patents, they will not guarantee us the right to use our patented technology for commercialization of our product candidates. Third parties may have blocking patents that could prevent us from commercializing our own products, even if our products use or embody our own, patented inventions.

The validity and enforceability of patents are generally uncertain and involve complex legal and factual questions. Any patents that may be issued on our pending applications may be challenged, invalidated or circumvented, which could limit our ability to stop competitors from marketing products similar to ours. Furthermore, our competitors may develop similar or alternative technologies not covered by any patents that may issue to us.

For technologies for which we do not seek patent protection, we may rely on trade secrets to protect our proprietary position. However, trade secrets are difficult to protect. We seek to protect our technology and product candidates, in part, by entering into confidentiality agreements with those who have access to our confidential information, including our employees, consultants, advisors, contractors or collaborators. We also seek to preserve the integrity and confidentiality of our proprietary technology and processes by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our employees, consultants, advisors, contractors and collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

We may be involved in lawsuits or IPR proceedings to protect or enforce our patents, which could be expensive, time consuming and unsuccessful.

We may discover that competitors are infringing our issued patents. Expensive and time-consuming litigation may be required to abate such infringement. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. If we or one of our collaboration partners were to initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including but not limited to lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone involved in the prosecution of the patent withheld relevant or material information related to the patentability of the invention from the USPTO or made a misleading statement during prosecution. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

Interference proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if we cannot obtain a license from the prevailing party on commercially reasonable terms. Third parties may request an IPR of our patents in the USPTO. An unfavorable decision may result in the revocation of our patent or a limitation to the scope of the claims of our patents. Our defense of litigation, interference or IPR proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties or enter into development partnerships that would help us bring our product candidates to market.

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 any litigation we initiate to enforce our patents. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock.

We may be subject to claims that our employees, consultants, or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

We employ individuals, retain independent contractors and consultants and members on our board of directors or scientific advisory board who were previously employed at universities or other pharmaceutical companies, including our competitors or potential competitors. For example, our Chief Executive Officer, Dennis M. Lanfear, is a former employee of Amgen. Mr. Lanfear was employed at Amgen during periods when Amgen's operations included the development and commercialization of Neulasta. Senior members of our commercial team and medical affairs team who were responsible for the launch of additional presentations of UDENYCA formerly held positions at Amgen. Our board of directors and scientific advisory board include members who were former employees of Genentech, Amgen and Abbott Laboratories. Although we have procedures in place to try to ensure that our employees, consultants and independent contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees or consultants have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely impact our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

On March 3, 2017, Amgen filed an action against us, KBI Biopharma, our employee Howard S. Weiser and Does 1-20 in the Superior Court of the State of California, County of Ventura. The complaint, which was amended, alleged that we engaged in unfair competition and improperly solicited and hired certain former Amgen employees in order to acquire and access trade secrets and other confidential information belonging to Amgen. The complaint, as amended, sought injunctive relief and monetary damages. On May 2, 2019, we and Amgen settled the trade secret action brought by Amgen. The details of the settlement are confidential, but we will continue to market UDENYCA and began paying a mid-single digit royalty to Amgen for five years starting on July 1, 2019.

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

We are a party to certain non-exclusive intellectual property license agreements with certain vendors (pertaining to mammalian cell lines) and with AbbVie (pertaining to AbbVie's intellectual property related to YUSIMRY) that are important to our business, and we expect to enter into additional license agreements in the future. Our existing license agreements impose, and we expect that future license agreements will impose, various diligence, milestone payment, royalty and other obligations on us. If we fail to comply with our obligations under these agreements or we are subject to a bankruptcy, we may be required to make certain payments to the licensor, we may lose the license or the licensor may have the right to terminate the license, in which event we would not be able to develop or market products covered by the license. Additionally, the milestone and other payments associated with these licenses will make it less profitable for us to develop our product candidates.

In the event we breach any of our obligations related to such agreements, we may incur significant liability to our licensing partners. Disputes may arise regarding intellectual property subject to a licensing agreement, including but not limited to:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patents and other rights;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our collaborators; and
- the priority of invention of patented technology.

If disputes over intellectual property and other rights that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates and that could have a material adverse effect on our business.

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

We currently have rights to certain intellectual property, through licenses from third parties and under patent applications that we own, to develop and commercialize our products and product candidates. Because we may find that our programs require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. We may be unable to acquire or in-license compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our product candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, financial resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. 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. We may also get into disputes or litigation with third parties from whom we license intellectual property rights necessary for the sale of our products. For example, on June 6, 2023 we received a notice letter from AbbVie alleging that we breached our settlement and license agreement with AbbVie (the "AbbVie Agreement"), which grants us a royalty-bearing, non-exclusive license under AbbVie's intellectual property rights to commercialize YUSIMRY in the United States commencing on July 1, 2023, because of our announcement on June 1, 2023 of our pricing agreement with Mark Cuban Cost Plus Drug Company, PBC and its plans to offer YUSIMRY to its customers beginning in July 2023. The parties engaged in discussions to resolve the dispute and on June 14, 2023 entered into a stipulation resolving our motion for temporary restraining order, whereby AbbVie agreed that it will not seek to terminate the AbbVie Agreement based on its June 6, 2023 notice and that it will not terminate the AbbVie Agreement unless it first serves a new notice of breach and affords us an opportunity to cure any alleged breach. While we remain in discussion with AbbVie, the litigation is ongoing and there can be no guarantee we will reach resolution.

If we are unable to successfully obtain required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of that program and our business and financial condition could suffer.

Our ability to market our biosimilar products in the United States may be significantly delayed or prevented by the BPCIA patent dispute resolution mechanism.

The BPCIA created an elaborate and complex patent dispute resolution mechanism for biosimilars that, if we choose to implement it, could prevent us from launching our product candidates in the United States or could substantially delay such launches. However, even if we elect not to implement this mechanism, the launch of our products in the United States could still be prevented or substantially delayed by intellectual property disputes with originator companies that market the reference products on which our biosimilar products are based.

The BPCIA establishes a patent disclosure and briefing process between the biosimilar applicant and the originator that is demanding and time-sensitive. While certain aspects of this process are still being tested in the federal courts, the United States Supreme Court, as discussed further below, ruled in 2017 that this process is not mandatory, such that a biosimilar applicant may elect to engage in this process, but is not required to do so. The following is an overview of the patent exchange and patent briefing procedures established by the BPCIA for biosimilar applicants that elect to employ them:

1. Disclosure of the Biosimilar Application. Within 20 days after the FDA publishes a notice that its application has been accepted for review, a Section 351(k) biosimilar applicant may elect to provide a copy of its application to the originator if it chooses to engage in the BPCIA patent exchange mechanism.

2. Identification of Pertinent Patents. Within 60 days of the date of receipt of the application the originator must identify patents owned or controlled by the originator, which it believes could be asserted against the biosimilar applicant.

3. Statement by the Biosimilar Applicant. Following the receipt of the originator's patent list, the biosimilar applicant must state either that it will not market its product until the relevant patents have expired or alternatively provide its arguments that the patents are invalid, unenforceable or would not be infringed by the proposed biosimilar product candidate. The biosimilar applicant may also provide the originator with a list of patents it believes the brand-name firm could assert against the reference product.

4. Statement by the Originator. In the event the biosimilar applicant has asserted that the patents are invalid, unenforceable or would not be infringed by the proposed follow-on product, the originator must provide the biosimilar applicant with a response within 60 days. The response must provide the legal and factual basis of the opinion that such patent will be infringed by the commercial marketing of the proposed biosimilar.

5. Patent Resolution Negotiations. If the originator provides its detailed views that the proposed biosimilar would infringe valid and enforceable patents, then the parties are required to engage in good faith negotiations to identify which of the discussed patents will be the subject of a patent infringement action. If the parties agree on the patents to be litigated, the brand-name firm must bring an action for patent infringement within 30 days.

6. Simultaneous Exchange of Patents. If those negotiations do not result in an agreement within 15 days, then the biosimilar applicant must notify the originator of how many patents (but not the identity of those patents) that it wishes to litigate. Within five days, the parties are then required to exchange lists identifying the patents to be litigated. The number of patents identified by the originator may not exceed the number provided by the biosimilar applicant. However, if the biosimilar applicant previously indicated that no patents should be litigated, then the originator may identify one patent.

7. Commencement of Patent Litigation. The originator must then commence patent infringement litigation within 30 days. That litigation will involve all of the patents on the originator's list and all of the patents on the follow-on applicant's list. The follow-on applicant must then notify the FDA of the litigation. The FDA must then publish a notice of the litigation in the Federal Register.

8. Notice of Commercial Marketing. The BPCIA requires the biosimilar applicant to provide notice to the originator 180 days in advance of its first commercial marketing of its proposed follow-on biologic. The originator is allowed to seek a preliminary injunction blocking such marketing based upon any patents that either party had preliminarily identified but were not subject to the initial phase of patent litigation. The litigants are required to "reasonably cooperate to expedite such further discovery as is needed" with respect to the preliminary injunction motion. The federal courts have not yet settled the issue as to when, or under what circumstances, the biosimilar applicant must provide the 180-day notice of commercial marketing provided in the BPCIA.

On June 12, 2017, the Supreme Court issued its decision in *Amgen v. Sandoz*, holding that (i) the "patent dance" is optional; and (ii) the 180-day pre-marketing notification may be given either before or after receiving FDA approval of the biosimilar product. The Supreme Court declined to rule whether a state injunctive remedy may be available to the originator and remanded that question to the Federal

Circuit for further consideration. On December 14, 2017, the Federal Circuit decided that state law claims are preempted by the BPCIA on both field and conflict grounds.

A significant legal risk for a biosimilar applicant that pursues regulatory approval under the Section 351(k) regulatory approval route and also elects to engage in the above-described BPCIA patent exchange mechanism, is that the process could result in the initiation of patent infringement litigation prior to FDA approval of a Section 351(k) application, and such litigation could result in blocking the market entry of the biosimilar product. However, even if biosimilar applicants opt out of the BPCIA patent exchange process, originators will still have the right to assert patent infringement as a basis to enjoin a biosimilar product launch. Thus, whether or not we engage in the BPCIA patent exchange process, there is risk that patent infringement litigation initiated by originators could prevent us indefinitely from launching our biosimilar products.

The legal and strategic considerations weighing for or against a decision to voluntarily engage in the BPCIA patent exchange process are complex and will differ on a product-by-product basis. If we decide to engage in the BPCIA patent exchange process, preparing for and conducting the patent exchange, briefing and negotiation process outlined above will require extraordinarily sophisticated legal counseling and extensive planning, all under extremely tight deadlines. Moreover, it may be difficult for us to secure or retain such legal support if large, well-funded originators have already entered into engagements with highly qualified law firms or if the most highly qualified law firms choose not to represent biosimilar applicants due to their long-standing relationships with originators.

Under the complex, and uncertain rules of the BPCIA patent provisions, coupled with the inherent uncertainty surrounding the legal interpretation of any originator patents that might be asserted against us in this new process, we see substantial risk that the BPCIA process may significantly delay or defeat our ability to market our biosimilar products in the United States, or may result in us incurring substantial legal settlement costs.

Risks Related to the Discovery and Development of Our Product Candidates

We are heavily dependent on the development, clinical success, regulatory approval and commercial success of our product candidates. We cannot give any assurance that any of our product candidates will receive regulatory approval, which is necessary before they can be commercialized.

We invested substantially all of our efforts and financial resources to identify, acquire and develop our product candidates. Our future success is dependent on our ability to develop, obtain regulatory approval for, and then commercialize and obtain adequate third-party coverage and reimbursement for one or more of our product candidates. We currently have three approved products: UDENYCA, YUSIMRY and LOQTORZI.

Our product candidates are in varying stages of development and will require additional clinical development, management of nonclinical, clinical and manufacturing activities, regulatory approval, adequate manufacturing supplies, commercial organization and significant marketing efforts before we generate any revenue from product sales. Other than certain pharmacokinetic bridging studies, we have not initiated phase 3 clinical trials for other product candidates in our pipeline. It may be some time before we file for market approval with the relevant regulatory agencies for these product candidates.

We cannot be certain that any of our product candidates will be successful in clinical trials or receive regulatory approval. Further, our product candidates may not receive regulatory approval even if they are successful in clinical trials. If we and our existing or future collaboration partners do not receive regulatory approvals for our product candidates, we may not be able to continue our operations.

We, together with our collaboration partners, generally plan to seek regulatory approval to commercialize our product candidates in the United States, the E.U., and additional foreign countries where we or our partners have commercial rights. To obtain regulatory approval, we and our collaboration partners must comply with numerous and varying regulatory requirements of such countries regarding safety, efficacy, chemistry, manufacturing and controls, clinical studies, commercial sales, and pricing and distribution of our product candidates. Even if we and our collaboration partners are successful in obtaining approval in one jurisdiction, we cannot ensure that we will obtain approval in any other jurisdictions. If we and our collaboration partners are unable to obtain approval for our product candidates in multiple jurisdictions, our revenue and results of operations could be negatively affected.

The regulatory approval processes of the FDA, EMA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and the regulatory approval requirements for biosimilars are evolving. If we and our collaboration partners are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

The research, development, testing, manufacturing, labeling, packaging, approval, promotion, advertising, storage, marketing, distribution, post-approval monitoring and reporting and export and import of biologic and biosimilar products are subject to extensive regulation by the FDA and other regulatory authorities in the United States, by the EMA and EEA Competent Authorities in the European Economic Area ("EEA"), and by other regulatory authorities in other countries, where regulations differ from country to country. Neither we nor any existing or future collaboration partners are permitted to market our product candidates in the United States until we and our collaboration partners receive approval from the FDA, or in the EEA until we and our collaboration partners receive EC or EEA Competent Authority approvals.

The time required to develop new products or obtain approval for new products by the FDA and comparable foreign authorities is unpredictable, may take many years following the completion of clinical studies and depends upon numerous factors. Further, applications to the Human Genetic Resources Administration of China (HGRAC) required for any activities, including development activities and data sharing with our partners in China, may result in product development delays. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions, which may cause delays in the approval or the decision not to approve an application. Neither we nor any collaboration partner has obtained regulatory approval for any of our products and product candidates, other than UDENYCA, which has received approval from the FDA and EMA, YUSIMRY, which has received approval from the FDA, and LOQTORZI, which has received approval from the FDA and is also approved for use in China, and it is possible that none of our other current or future product candidates will ever obtain additional regulatory approvals.

Applications for our product candidates could fail to receive regulatory approval for many reasons, including but not limited to the following:

- the data collected from clinical studies of our product candidates may not be sufficient to support the submission of an original BLA, an NDA, a Section 351(k) BLA, a biosimilar marketing authorization under Article 6 of Regulation (EC) No. 726/2004 and/or Article 10(4) of Directive 2001/83/EC in the EEA or other submission or to obtain regulatory approval in the United States, the EEA or elsewhere;
- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical studies;
- the FDA may determine that the population studied in the clinical program may not be sufficiently broad or representative to assure safety and efficacy in the full population for which we seek approval, or that conclusions of clinical trials conducted in a single country or region outside the United States may not be generalizable to the patient population in the United States;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from analytical and bioanalytical studies, nonclinical studies or clinical studies;
- we may be unable to demonstrate to the FDA or comparable foreign regulatory authorities that a product candidate's risk-benefit ratio for its proposed indication is acceptable;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes, test procedures and specifications or facilities of our collaborators or third-party manufacturers with which we contract for clinical and commercial supplies; 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 approval process, as well as the unpredictability of the results of clinical studies, may result in our failure to obtain regulatory approval to market any of our product candidates, which would significantly harm our business. Any delays in the commencement or completion of clinical testing could significantly impact our product development costs and could result in the need for additional financing.

Clinical drug development involves a lengthy and expensive process and we may encounter substantial delays in our clinical studies or may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we or our collaboration partners, or both, as the case may be, must conduct clinical studies to demonstrate the safety and efficacy of the product candidates in humans.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical study process. The results of preclinical studies and early clinical studies of our product candidates may not be predictive of the results of later-stage clinical studies. Product candidates that have shown promising results in early-stage clinical studies may still suffer significant setbacks in subsequent registration clinical studies. There is a high failure rate for product candidates proceeding through clinical studies, and product candidates in later stages of clinical studies may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical studies. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical studies due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier studies. Nonclinical and clinical data are also often susceptible to varying interpretations and analyses. We do not know whether any clinical studies we may conduct for our product candidates will demonstrate consistent or adequate efficacy and safety to obtain regulatory approval. Furthermore, biosimilar clinical studies must use originator products as comparators, and such supplies may not be available on a timely basis to support such trials.

We cannot guarantee that any clinical studies will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical studies can occur at any stage of testing, and our future clinical studies may not be successful. Events that may prevent successful or timely completion of clinical development include but are not limited to:

- inability to generate sufficient preclinical, toxicology or other *in vivo* or *in vitro* data to support the initiation of human clinical studies;
- delays in reaching a consensus with regulatory agencies on study design;
- delays in reaching agreement on acceptable terms with prospective CROs, and clinical study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical study sites;
- delays in obtaining required IRB approval at each clinical study site;
- imposition of a clinical hold by regulatory agencies, after review of an IND or amendment or equivalent application or amendment, or an inspection of our clinical study operations or study sites or as a result of adverse events reported during a clinical trial;
- delays in recruiting suitable patients to participate in our clinical studies sponsored by us or our partners;
- difficulty collaborating with patient groups and investigators;
- failure by our CROs, other third parties or us to adhere to clinical study requirements;
- failure to perform in accordance with the FDA's good clinical practices requirements or applicable regulatory guidelines in other countries;
- delays in patients completing participation in a study or return for post-treatment follow-up, or patients dropping out of a study;
- occurrence of adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- the cost of clinical studies of our product candidates being greater than we anticipate;
- clinical studies of our product candidates producing negative or inconclusive results, which may result in us deciding or regulators requiring us to conduct additional clinical studies or abandon product development programs; and
- delays in manufacturing, testing, releasing, validating or importing/exporting and/or distributing sufficient stable quantities of our product candidates and originator products for use in clinical studies or the inability to do any of the foregoing.

Any inability to successfully complete nonclinical and clinical development could result in additional costs to us or impair our ability to generate revenue. In addition, if we make manufacturing or formulation changes to our product candidates, we may need to conduct additional studies to bridge our modified product candidates to earlier versions.

If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

Patient enrollment is a significant factor in the timing of clinical trials, and the timing of our clinical trials will depend, in part, on the speed at which we can recruit patients to participate in our trials, as well as completion of required follow-up periods. 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 to such trial's conclusion as required by the FDA or other comparable regulatory authorities. Some of the conditions for which we may plan to evaluate our product candidates are rare diseases with limited patient pools from which to draw for clinical trials. The eligibility criteria of our clinical trials, once established, may further limit the pool of available trial participants.

Patient enrollment in clinical trials may be affected by other factors, including:

- size and nature of the targeted patient population;
- severity of the disease or condition under investigation;
- availability and efficacy of approved therapies for the disease or condition under investigation;
- patient eligibility criteria for the trial in question as defined in the protocol;
- perceived risks and benefits of the product candidate under study;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any products that may be approved for, or any product candidates under investigation for, the indications we are investigating;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment;
- proximity and availability of clinical trial sites for prospective patients;
- continued enrollment of prospective patients by clinical trial sites; and
- the risk that patients enrolled in clinical trials will drop out of such trials before completion.

Additionally, other pharmaceutical companies targeting these same diseases are recruiting clinical trial patients from these patient populations, which may make it more difficult to fully enroll any clinical trials. We also rely on, and will continue to rely on, CROs and clinical trial sites to ensure proper and timely conduct of our clinical trials and preclinical studies. Though we have entered into agreements governing their services, we will have limited influence over their actual performance. 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 and jeopardize our ability to obtain regulatory approval for the sale of our product candidates.

The development, manufacture and commercialization of biosimilar products under various global regulatory pathways pose unique risks.

We and our collaboration partners intend to pursue market authorization globally. In the United States, an abbreviated pathway for approval of biosimilar products was established by the BPCIA, enacted on March 23, 2010, as part of the ACA. The BPCIA established this abbreviated pathway under Section 351(k) of the PHSA. Subsequent to the enactment of the BPCIA, the FDA issued guidance documents regarding the demonstration of biosimilarity and interchangeability as well as the submission and review of biosimilar applications. Moreover, market acceptance of biosimilar products in the United States is unclear. Numerous states are considering or have already enacted laws that regulate or restrict the substitution by state pharmacies of biosimilars for originator products already licensed by the FDA. Market success of biosimilar products will depend on demonstrating to patients, physicians, payers and relevant authorities that such products are similar in quality, safety and efficacy as compared to the reference product.

We will continue to analyze and incorporate into our biosimilar development plans any final regulations issued by the FDA, pharmacy substitution policies enacted by state governments and other applicable requirements established by relevant authorities. The costs of development and approval will be dependent upon the application of any laws and regulations issued by the relevant regulatory authorities.

Biosimilar products may also be subject to extensive originator-controlled patent portfolios and patent infringement litigation, which may delay and could prevent the commercial launch of a product. Moreover, the BPCIA prohibits the FDA from accepting an application for a biosimilar candidate to a reference product within four years of the reference product's licensure by the FDA. In addition, the BPCIA provides innovative biologics with 12 years of exclusivity from the date of their licensure, during which time the FDA cannot approve any application for a biosimilar candidate to the reference product.

Under current E.U. regulations, an application for regulatory approval of a biosimilar drug cannot be submitted in the E.U. until expiration of an eight-year data exclusivity period for the reference (originator) product, measured from the date of the reference product's initial marketing authorization. Furthermore, once approved, the biosimilar cannot be marketed until expiration of a ten-year period following the initial marketing authorization of the reference product, such ten-year period being extendible to 11 years if the reference product received approval of an additional therapeutic indication, within the first eight years following its initial marketing authorization, representing a significant clinical benefit in comparison with existing therapies.

In Europe, the approval of a biosimilar for marketing is based on an opinion issued by the EMA and a decision issued by the EC. Therefore, the marketing approval will cover the entire EEA. However, substitution of a biosimilar for the originator is a decision that is made at the national level. Additionally, a number of countries do not permit the automatic substitution of biosimilars for the originator product. Therefore, even if we obtain marketing approval for the entire EEA, we may not receive substitution in one or more European nations, thereby restricting our ability to market our products in those jurisdictions.

Other regions, including Canada, Japan and South Korea, also have their own legislation outlining a regulatory pathway for the approval of biosimilars. In some cases, other countries have either adopted European guidance (Singapore and Malaysia) or are following guidance issued by the World Health Organization (Cuba and Brazil). While there is overlap in the regulatory requirements across regions, there are also some areas of non-overlap. Additionally, we cannot predict whether countries that we may wish to market in which do not yet have an established or tested regulatory framework could decide to issue regulations or guidance and/or adopt a more conservative viewpoint than other regions. Therefore, it is possible that even if we obtain agreement from one health authority to an accelerated or optimized development plan, we will need to defer to the most conservative view to ensure global harmonization of the development plan. Also, for regions where regulatory authorities do not yet have sufficient experience in the review and approval of a biosimilar product, these authorities may rely on the approval from another region (e.g., the United States or the E.U.), which could delay our approval in that region. Finally, it is possible that some countries will not approve a biosimilar without clinical data from their population or may require that the biosimilar product be manufactured within their region, or some countries may require both.

If other biosimilars of pegfilgrastim (Neulasta) or adalimumab (Humira) are determined to be interchangeable and our biosimilar products are not, our business could suffer.

The FDA or other relevant regulatory authorities may determine that a proposed biosimilar product is "interchangeable" with a reference product, meaning that the biosimilar product may be substituted for the reference product without the intervention of the health care provider who prescribed the reference product, if the application includes sufficient information to show that the product is biosimilar to the reference product and that it can be expected to produce the same clinical result as the reference product in any given patient. If the biosimilar product may be administered more than once to a patient, the applicant must demonstrate that the risk in terms of safety or diminished efficacy of alternating or switching between the biosimilar product and the reference product is not greater than the risk of using the reference product without such alternation or switch. To make a final determination of interchangeability, regulatory authorities may require additional confirmatory information beyond what we plan to initially submit in our applications for approval, such as more in-depth analytical characterization, animal testing or further clinical studies. Provision of sufficient information for approval may prove difficult and expensive.

We cannot predict whether any of our biosimilar products and product candidates will meet regulatory authority requirements for approval not only as a biosimilar product but also as an interchangeable product in any jurisdiction. Furthermore, legislation governing interchangeability could differ by jurisdiction on a state or national level worldwide.

The labelling of "interchangeability" is important because, in the United States for example, the first biosimilar determined to be interchangeable with a particular reference, or originator, product for any condition of use is eligible for a period of market exclusivity that

delays an FDA determination that a second or subsequent biosimilar product is interchangeable with that originator product for any condition of use until the earlier of: (1) one year after the first commercial marketing of the first interchangeable product; (2) 18 months after resolution of a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product, based on a final court decision regarding all of the patents in the litigation or dismissal of the litigation with or without prejudice; (3) 42 months after approval of the first interchangeable product, if a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product is still ongoing; or (4) 18 months after approval of the first interchangeable product if the applicant that submitted the application for the first interchangeable product has not been sued under 42 U.S.C. § 262(l)(6). Thus, a determination that another company's product is interchangeable with the originator biologic before we obtain approval of our corresponding biosimilar product candidates may delay the potential determination that our products are interchangeable with the originator product, which could materially adversely affect our results of operations and delay, prevent or limit our ability to generate revenue.

Failure to obtain regulatory approval in any targeted regulatory jurisdiction would prevent us from marketing our products to a larger patient population and reduce our commercial opportunities.

We are marketing LOQTORZI, UDENYCA and YUSIMRY in the United States, and subject to product approvals and relevant patent and settlement agreement expirations, we intend to market our other biosimilar products in the United States and outside the United States on our own or with future collaboration partners. We entered into a distribution agreement with our licensee Orox for the commercialization of biosimilar versions of etanercept (Enbrel) (for which we discontinued development), rituximab (Rituxan) (for which we discontinued development), adalimumab (Humira) and pegfilgrastim (Neulasta) in certain Caribbean and Latin American countries. We intend to market our products in the United States and may seek to partner commercially all products outside the United States.

In order to market our products in the E.U., the United States and other jurisdictions, we and our collaboration partners must obtain separate regulatory approvals and comply with numerous and varying regulatory requirements. The EMA is responsible for the centralized procedure for the regulation and approval of human medicines. This procedure results in a single marketing authorization that is valid in all E.U. countries, as well as in Iceland, Liechtenstein and Norway. The time required to obtain approval abroad may differ from that required to obtain FDA approval. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval and we may not obtain foreign regulatory approvals on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. We or our collaboration partners may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize our products in any market. Failure to obtain these approvals would materially and adversely affect our business, financial condition and results of operations.

We may not be successful in our efforts to identify, develop or commercialize additional product candidates.

Although a substantial amount of our effort will focus on the continued clinical testing, potential approval and commercialization of our existing product candidates, the success of our business also depends upon our ability to identify, develop and commercialize additional product candidates. Research programs to identify new product candidates require substantial technical, financial and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful. Our development efforts may fail to yield additional product candidates suitable for clinical development and commercialization for a number of reasons, including but not limited to the following:

- we may not be successful in identifying potential product candidates that pass our strict screening criteria;
- we may not be able to overcome technological hurdles to development or a product candidate may not be capable of producing commercial quantities at an acceptable cost or at all;
- we may not be able to assemble sufficient resources to acquire or discover additional product candidates;
- our product candidates may not succeed in nonclinical or clinical testing;
- our potential product candidates may fail to show sufficient biosimilarity to originator molecules; and
- competitors may develop alternatives that render our product candidates obsolete or less attractive or the market for a product candidate may change such that a product candidate may not justify further development.

If any of these events occur, we may be forced to abandon our development efforts for a program or programs or we may not be able to identify, develop or commercialize additional product candidates, which would have a material adverse effect on our business and could potentially cause us to cease operations.

Risks Related to Our Compliance with Applicable Laws

Healthcare reform measures, including the IRA, may increase the difficulty and cost for us to obtain marketing approval for and commercialize our products, affect the prices we may set, and have a material adverse effect on our business and results of operations.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the ACA, was passed, which substantially changed the way health care is financed by both governmental and private insurers and has impacted and continues to impact the United States pharmaceutical industry. The ACA, among other things, modified the AMP definition under the MDRP for drugs that are inhaled, infused, instilled, implanted or injected and not generally distributed through the retail channel; expanded rebate payments under the MDRP to include utilization by individuals enrolled in Medicaid managed care organizations; added a provision to increase the Medicaid rebate for line extension drugs; established annual fees and taxes on manufacturers of certain branded prescription drugs; expanded the entities eligible for discounts under the Public Health Service 340B drug pricing program; and established the Medicare Part D coverage gap discount program, in which manufacturers must agree to offer point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the United States Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. These changes include the American Rescue Plan Act of 2021, which eliminated the statutory cap on the Medicaid drug rebate beginning January 1, 2024. The rebate was previously capped at 100% of a drug's AMP.

Most significantly, on August 16, 2022, the 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 HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the Medicare drug price negotiation program is currently subject to legal challenges. For that and other reasons, the impact of the IRA on our business and the pharmaceutical industry cannot yet be fully determined. If a product becomes subject to the IRA negotiation provision and related price cap, that may significantly alter the economic rationale for developing and commercializing a biosimilar. Additionally, in response to the Biden administration's October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the Center for Medicare and Medicaid Innovation which will be evaluated on their ability to lower the cost of drugs, promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future.

The cost of prescription pharmaceuticals in the United States is likely to remain the subject of considerable discussion. There have been several Congressional inquiries and proposed and enacted legislation designed to, among other things, reform government program reimbursement methodologies. The likelihood of implementation of these and other reform initiatives is uncertain. In the coming years, additional legislative and regulatory changes could be made to governmental health programs that could significantly impact pharmaceutical companies and the success of our product candidates. We expect that healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates.

Individual states in the United States have also proposed and enacted legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, marketing cost disclosure and other transparency measures, and, in some cases, measures designed to encourage importation from other countries and bulk purchasing. 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, such as a single reimbursement code for biosimilar products.

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

In the E.U., similar political, economic and regulatory developments may affect our ability to profitably commercialize our product candidates, if approved. In addition to continuing pressure on prices and cost containment measures, legislative developments at the E.U. or member state level may result in significant additional requirements or obstacles that may increase our operating costs. The delivery of healthcare in the E.U., including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than E.U., law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most E.U. member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing E.U. and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to commercialize our product candidates, if approved. In markets outside of the United States and E.U., reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies.

We may be subject, directly or indirectly, to federal and state healthcare laws, including fraud and abuse, false claims and physician payment transparency laws. If we are unable to comply or have not fully complied with such laws, we could face substantial penalties.

Our operations are directly or indirectly through our customers subject to various federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute, the federal False Claims Act and physician sunshine laws and regulations. These laws impact, among other things, sales, marketing and education programs. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or in kind, to induce or in return for the purchase, recommendation, order or furnishing of an item or service reimbursable, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation;
- federal civil and criminal false claims laws, including the False Claims Act, which prohibit, among other things, individuals or entities from knowingly presenting or causing to be presented claims for payment from Medicare, Medicaid or other third-party payers that are false or fraudulent and which may apply to entities that provide coding and billing advice to customers. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transfer of remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state healthcare program, unless an exception applies;
- HIPAA, which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;
- the federal physician "sunshine" requirements under the ACA, which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to the Centers for Medicare & Medicaid Services information related to payments and other transfers of value made by such manufacturers to physicians (defined to include doctors, dentists, optometrists, podiatrists, chiropractors, and certain non-physician practitioners (physician assistants, nurse practitioners,

clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse midwives)), and teaching hospitals and ownership and investment interests held by physicians and their immediate family members; and

- state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws that may apply to items or services reimbursed by any third-party payer, including commercial insurers, state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; and state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. In addition, recent health care reform legislation has strengthened these laws.

Efforts to ensure that our operations and business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. If we are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from participation in government health care programs, such as Medicare and Medicaid, imprisonment, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Further, defending against any such actions can be costly, time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

If we fail to comply with our reporting and payment obligations under the Medicaid Drug Rebate Program or other governmental pricing programs in the United States, we could be subject to additional reimbursement requirements, penalties, sanctions and fines which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We participate in governmental programs that impose drug price reporting, payment, and other compliance obligations on pharmaceutical manufacturers. Medicaid is a joint federal and state program for low-income and disabled beneficiaries. Medicare is a federal program that is administered by the federal government covering individuals age 65 and over as well as those with certain disabilities. Medicare Part B reimburses physicians who administer our products. Under the MDRP, as a condition of having federal funds available for our covered outpatient drugs under Medicaid and under Medicare Part B, we must enter into, and have entered into, an agreement with the Secretary of Health and Human Services to pay a rebate to state Medicaid programs for each unit of our covered outpatient drugs dispensed to a Medicaid beneficiary and paid for by the state Medicaid program. Medicaid rebates are based on pricing data that we are required to report on a monthly and quarterly basis to CMS, the federal agency that administers the MDRP and Medicare programs. For the MDRP, these data include the AMP for each drug and, in the case of innovator products, the Best Price, which represents the lowest price available from us to any wholesaler, retailer, provider, health maintenance organization, nonprofit entity, or governmental entity in the United States in any pricing structure, calculated to include all applicable sales and associated rebates, discounts and other price concessions. In connection with Medicare Part B, we must provide CMS with ASP information on a quarterly basis. CMS uses this information to compute Medicare Part B payment rates, which consist of ASP plus a specified percentage. If we become aware that our MDRP submissions for a prior period were incorrect or have changed as a result of recalculation of the pricing data, we must resubmit the corrected data for up to three years after those data originally were due. Pursuant to the IRA, the AMP and ASP figures we report will also be used to compute rebates under Medicare Part D and Medicare Part B triggered by price increases that outpace inflation. If we fail to provide information timely or are found to have knowingly submitted false information to CMS, we may be subject to civil monetary penalties and other sanctions, including termination from the MDRP.

Federal law requires that any company that participates in the MDRP also participate in the Public Health Service's 340B drug pricing program in order for federal funds to be available for the manufacturer's drugs under Medicaid and Medicare Part B. The 340B program is administered by the HRSA and requires us to agree to charge statutorily defined covered entities no more than the 340B "ceiling price" for our covered drugs when used in an outpatient setting. These 340B covered entities include a variety of community health clinics and other entities that receive health services grants from the Public Health Service, as well as hospitals that serve a disproportionate share of low-income patients. The 340B ceiling price is calculated using a statutory formula, which is based on the AMP and rebate amount for the covered outpatient drug as calculated under the MDRP. In general, products subject to Medicaid price reporting and rebate liability are also subject to the 340B ceiling price requirement. We must report 340B ceiling prices to HRSA on a quarterly basis, and HRSA publishes them to 340B covered entities. HRSA has finalized regulations regarding the calculation of the 340B ceiling price and the imposition of civil

monetary penalties on manufacturers that knowingly and intentionally overcharge covered entities for 340B eligible drugs. HRSA has also finalized an administrative dispute resolution process through which 340B covered entities may pursue claims against participating manufacturers for overcharges.

In order to be eligible to have drug products paid for with federal funds under Medicaid and Medicare Part B and purchased by certain federal agencies and grantees, a pharmaceutical manufacturer must also participate in VA FSS pricing program. Under the VA FSS program, we must report the Non-FAMP for our covered drugs to the VA and charge certain federal agencies no more than the Federal Ceiling Price, which is calculated based on Non FAMP using a statutory formula. These four agencies are the VA, the U.S. Department of Defense, the U.S. Coast Guard, and the U.S. Public Health Service (including the Indian Health Service). We must also pay rebates on products purchased by military personnel and dependents through the TRICARE retail pharmacy program. If a manufacturer participating in the FSS program fails to provide timely information or is found to have knowingly submitted false information, the manufacturer may be subject to civil monetary penalties.

Individual states continue to consider and have enacted legislation to limit the growth of healthcare costs, including the cost of prescription drugs and combination products. A number of states have either implemented or are considering implementation of drug price transparency legislation that may prevent or limit our ability to take price increases at certain rates or frequencies. Requirements under such laws include advance notice of planned price increases, reporting price increase amounts and factors considered in taking such increases, wholesale acquisition cost information disclosure to prescribers, purchasers, and state agencies, and new product notice and reporting. Such legislation could limit the price or payment for certain drugs, and a number of states are authorized to impose civil monetary penalties or pursue other enforcement mechanisms against manufacturers for the untimely, inaccurate, or incomplete reporting of drug pricing information or for otherwise failing to comply with drug price transparency requirements. If we are found to have violated state law requirements, we may become subject to penalties or other enforcement mechanisms, which could have a material adverse effect on our business.

Pricing and rebate calculations vary across products and programs, are complex, and are often subject to interpretation by us, governmental or regulatory agencies, and the courts, which can change and evolve over time. Such pricing calculations and reporting, along with any necessary restatements and recalculations, could increase costs for complying with the laws and regulations governing the MDRP and other governmental programs, and under the MDRP could result in an overage or underage in Medicaid rebate liability for past quarters. Price recalculations under the MDRP also may affect the ceiling price at which we are required to offer products under the 340B program. Civil monetary penalties can be applied if we are found to have knowingly submitted any false price or product information to the government, if we are found to have made a misrepresentation in the reporting of ASP, if we fail to submit the required price data on a timely basis, or if we are found to have charged 340B covered entities more than the statutorily mandated ceiling price. CMS could also terminate our Medicaid drug rebate agreement, in which case federal payments may not be available under Medicaid or Medicare Part B for our covered outpatient drugs. We cannot assure you that our submissions will not be found by CMS or other governmental agencies to be incomplete or incorrect.

Risks Related to Ownership of Our Common Stock

The market price of our common stock may be highly volatile, and purchasers of our common stock could incur substantial losses.

The market price of our common stock has been highly volatile since our Initial Public Offering (“IPO”) and the intraday sales price per share has ranged from $1.43 to $38.10 per share during the period from November 6, 2014 through December 31, 2023 and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. These factors include those discussed in the “Risk Factors” section of this Annual Report on Form 10-K and others such as:

- adverse results or delays in preclinical or clinical studies;
- the risk of deterioration in our financial conditions, such as reduced collection of cash and increased costs in the future;
- any inability to obtain additional funding;
- any delay in filing an IND, NDA, BLA, Section 351(k) BLA or other regulatory submission for any of our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory agency’s review of that IND, NDA, BLA, Section 351(k) BLA or other regulatory submission;
- the perception of limited market sizes or pricing for our products and product candidates;
- failure to successfully develop and commercialize our product candidates;

- post-marketing safety issues relating to our product candidates or biosimilars generally;
- failure to maintain our existing strategic collaborations or enter into new collaborations;
- failure by us or our licensors and strategic collaboration partners to prosecute, maintain or enforce our intellectual property rights;
- changes in laws or regulations applicable to our products;
- future outbreaks of COVID-19 and other viral pandemics;
- any inability to obtain adequate product supply for our product candidates or the inability to do so at acceptable prices;
- adverse regulatory decisions;
- introduction of new products, services or technologies by our competitors;
- failure to meet or exceed financial projections we may provide to the public;
- failure to meet or exceed the financial projections of the investment community;
- the perception of the pharmaceutical industry by the public, legislatures, regulators and the investment community;
- announcements of significant acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments by us, our strategic collaboration partners or our competitors;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- additions or departures of key scientific or management personnel;
- lawsuits, including but not limited to complaints initiated by stockholders, customers and collaboration partners, and litigation filed by us or filed against us pertaining to patent infringement or other violations of intellectual property rights;
- the outcomes of any citizen petitions filed by parties seeking to restrict or limit the approval of biosimilar products;
- if securities or industry analysts do not publish research or reports about our business or if they issue an adverse or misleading opinion regarding our stock;
- changes in the market valuations of similar companies;
- general market or macroeconomic conditions, including rising interest rates and inflation;
- sales of our common stock by us or our stockholders in the future;
- trading volume of our common stock;
- issuance of patents to third parties that could prevent our ability to commercialize our product candidates;
- reductions in the prices of originator products that could reduce the overall market opportunity for our product candidates intended as biosimilars to such originator products; and
- changes in biosimilar regulatory requirements that could make it more difficult for us to develop our product candidates.

In addition, biopharmaceutical companies in particular have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

As of December 31, 2023, our executive officers, directors, five percent stockholders and their affiliates beneficially owned approximately 30.6% of our voting stock (assuming no exercise of outstanding options or conversion of our outstanding convertible notes). These stockholders have the ability to influence us through their ownership positions, which may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may believe are in your best interest as one of our stockholders.

Our indebtedness could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts and could divert our cash flow from operations for debt payments.

Our leverage and debt service obligations could adversely impact our business, including by:

- impairing our ability to generate cash sufficient to pay interest or principal, including periodic principal payments;
- increasing our vulnerability to general adverse economic and industry conditions;
- increasing our need to meet minimum net sales requirements when our future sales are uncertain;
- requiring the dedication of a portion of our cash flow from operations to service our debt, thereby reducing the amount of our cash flow available for other purposes, including funds for clinical development or to pursue future business opportunities;
- requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we compete; and
- placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

Any of the foregoing factors could have negative consequences on our financial condition and results of operations.

This indebtedness could be due sooner upon the triggering of certain covenants in our debt agreements and or upon the occurrence of an event of default. If and when our indebtedness becomes due, if we do not have sufficient cash or access to capital to pay such indebtedness, we will default on our obligations which will adversely harm our business. We entered into a Loan Agreement that contains affirmative and negative covenants that restrict our operations, including, among other restrictions, the requirement to maintain minimum trailing twelve-month net sales in an amount that began at $200.0 million in the first quarter of 2022 and increases to $210.0 million for the quarter ended March 31, 2024. Beginning in the second quarter of 2024 and continuing through the quarter ended December 31, 2026, the requirement is to maintain minimum trailing twelve-month net sales of $125.0 million. In addition, there is a requirement to maintain a minimum trailing twelve-month net sales for LOQTORZI tested quarterly at the end of each quarter commencing with the quarter ended December 31, 2024. Further, the Loan Agreement includes certain other affirmative covenants and negative covenants, including, covenants and restrictions that among other things, restrict our ability to incur liens, incur additional indebtedness, make investments, engage in certain mergers and acquisitions or asset sales, and declare dividends or redeem or repurchase capital stock. We may need to request additional waivers from time to time with respect to the Loan Agreement and if we are unable to obtain a waiver that we need it could materially impact our business and financial results.

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

If our existing stockholders sell or indicate an intention to sell substantial amounts of our common stock in the public market the market price of our common stock could decline. In addition, we may authorize our sales agent to sell our common stock from time to time as part of the ATM Offering. As of December 31, 2023, there were 112.2 million shares of common stock outstanding.

In addition, as of December 31, 2023, approximately 30.6 million shares of common stock that are either subject to outstanding options and restricted stock units or reserved for future issuance under our equity incentive plans were eligible or may become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules and Rule 144 and Rule 701 under the Securities Act. Certain of our outstanding options have exercise prices that are above our current stock price. See the tables describing our outstanding stock options in Note 12. Stock-Based Compensation and Employee Benefits to our financial statements included in this report. If these additional shares of common stock are sold or if it is perceived that they will be sold in the public market, the market price of our common stock could decline.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plans and convertible notes, could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

We have needed and anticipate we will need additional capital in the future to continue our planned operations. To the extent that we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. Similar to prior or ongoing financing transactions like the ATM Offering or the exchange of our shares for shares of outstanding stock of Surface as part of the acquisition of Surface, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. These sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders. In addition, if we raise additional funds through licensing arrangements, it may be necessary to grant potentially valuable rights to our product candidates or grant licenses on terms that are not favorable to us.

Pursuant to our 2014 Equity Incentive Award Plan (the "2014 Plan"), our management is authorized to grant stock options and other equity-based awards to our employees, directors and consultants. The number of shares available for future grant under the 2014 Plan will be increased by (i) the number of shares pursuant to outstanding awards under the 2010 Plan that are forfeited or lapse unexercised and which following the effective date are not issued under the 2010 Plan and (ii) an annual increase on the first day of each fiscal year beginning in 2015 and ending in 2024, equal to 4% of the shares of stock outstanding as of the last day of the preceding fiscal year, or such smaller number of shares as determined by our board of directors. Pursuant to our 2014 Employee Stock Purchase Plan ("ESPP"), eligible employees are able to acquire shares of our common stock at a discount to the prevailing market price, and an aggregate of 320,000 shares are initially available for issuance under the ESPP. The number of shares available for issuance under the ESPP will automatically increase on the first day of each fiscal year beginning in 2015 and ending in 2024, equal to 1% of the shares of common stock outstanding on the last day of the immediately preceding fiscal year or such smaller number of shares as determined by our board of directors. If our board of directors elects to increase the number of shares available for future grant under the 2014 Plan or the ESPP, our stockholders may experience additional dilution, which could cause our stock price to fall**.** Pursuant to our 2016 Employment Commencement Incentive Plan (the "2016 Plan"), our management is authorized to grant stock options and other equity-based awards to our new employees. The 2016 Plan is designed to comply with the inducement exemption contained in Nasdaq's Rule 5635(c)(4), which provides for the grant of non-qualified stock options, restricted stock units, restricted stock awards, performance awards, dividend equivalents, deferred stock awards, deferred stock units, stock payment and stock appreciation rights to a person not previously an employee or director, or following a bona fide period of non-employment, as an inducement material to the individual's entering into employment with us. As of December 31, 2023, we reserved for future issuance under the 2016 Plan a total of 1.8 million shares of common stock for new employees. The 2016 Plan does not provide for any annual increases in the number of shares available.

In April 2020, we issued and sold $230.0 million aggregate principal amount of our 1.5% senior convertible notes due April 2026 (the "2026 Convertible Notes"). The holders may convert their 2026 Convertible Notes at their option at any time prior to the close of business on the second scheduled trading day immediately before April 15, 2026. Upon conversion of the 2026 Convertible Notes by a holder, the holder will receive shares of our common stock, together, if applicable, with cash in lieu of any fractional share. Since inception, the conversion price has been 51.9224 shares of common stock per $1,000 principal amount of the 2026 Convertible Notes, which represents a conversion price of approximately $19.26 per share of common stock.

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 business operations, financial condition, results of operations and prospects.

Our cash and cash equivalents are deposited or invested with several banks and other financial institutions. Actual events involving reduced or limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. For example, in March 2023, Silicon Valley Bank was closed and taken over by the Federal Deposit Insurance Corporation ("FDIC") and subsequently had all of its customer deposits and other liabilities and substantially all loans and other assets acquired by First-Citizens Bank & Trust Company. We had approximately $117.7 million of cash, cash equivalents and marketable securities as of December 31, 2023 with the majority held by custodians or in money market mutual funds that are not bank deposits. Our bank deposits are primarily held in accounts at three large banks that we believe to be stable at this time. Actual and perceived stability of banks can change from time to time and adverse perceptions by customers or investors about the banks where we deposit money could result in a material and adverse effect on our ability to access necessary cash. 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 access funds for our basic operating expenses, financial obligations, payroll or fulfill our other important obligations. 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, business operations, financial condition, results of operations and prospects.

We do not intend to pay dividends on our common stock so any returns will be limited to the value of our stock.

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain any future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to any appreciation of their stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders or remove our current management.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that may have the effect of delaying or preventing a change in control of us or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that:

- authorize "blank check" preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- create a classified board of directors whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our corporate secretary pursuant to a resolution adopted by a majority of our board of directors;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors other than nominations made by or at the direction of the board of directors or a committee of the board of directors;
- provide that our directors may be removed only for cause or without cause by the holders of 66 2/3% of the voting power of all then outstanding shares of voting stock;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorize our board of directors to modify, alter or repeal our amended and restated bylaws; and
- require holders of 66 2/3% of the voting power of all then outstanding shares of voting stock to amend specified provisions of our amended and restated certificate of incorporation except for the provision making it possible for our board of directors to issue "blank check" preferred stock, and amended and restated bylaws.

These provisions, alone or together, could delay, deter or prevent hostile takeovers and changes in control or changes in our management.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us.

Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

General Risk Factors

The international aspects of our business expose us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.

We currently have limited international operations of our own and have and may have in the future a number of international collaborations, including our significant collaboration with Junshi Biosciences in China. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws and regulations such as privacy regulations, tax laws, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits and licenses, including those that affect our work with a collaboration partner in China;
- failure by us or our collaboration partners to obtain and maintain regulatory approvals for the use of our products in various countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining protection and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations by us or our collaboration partners;
- complexities associated with managing multiple payer reimbursement regimes, government payers or patient self-pay systems by our collaboration partners;
- limits in our or our collaboration partners' ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- certain expenses including, among others, expenses for travel, translation and insurance;
- expose us to sanctions, such as the sanctions levied by United States, E.U. and Russian regulatory bodies in connection with Russia's invasion of Ukraine in February 2022; and
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and activities that may fall within the purview of the United States Foreign Corrupt Practices Act, its books and records provisions or its anti-bribery provisions.

Investors' expectations of our performance relating to environmental, social and governance factors may impose additional costs and expose us to new risks.

There is an increasing focus from certain investors, employees, regulators and other stakeholders concerning corporate responsibility, specifically related to environmental, social and governance (or "ESG") factors. Some investors and investor advocacy groups may use these factors to guide investment strategies and, in some cases, investors may choose not to invest in our company if they believe our policies relating to corporate responsibility are inadequate. Third-party providers of corporate responsibility ratings and reports on companies have increased to meet growing investor demand for measurement of corporate responsibility performance, and a variety of organizations currently measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. Investors, particularly institutional investors, use these ratings to benchmark companies against their peers and if we are perceived as lagging with respect to ESG initiatives, certain investors may engage with us to improve ESG disclosures or performance and may also make voting decisions, or take other actions, to hold us and our board of directors accountable. In addition, the criteria by which our corporate responsibility practices are assessed may change, which could result in greater expectations of us and cause us to undertake

costly initiatives to satisfy such new criteria. If we elect not to or are unable to satisfy such new criteria, investors may conclude that our policies with respect to corporate responsibility are inadequate. We may face reputational damage in the event that our corporate responsibility procedures or standards do not meet the standards set by various constituencies. We also face significant costs from complying with new ESG regulations, for example, the SEC's proposed climate disclosure rule would result in significant costs of compliance if it is approved as proposed in the future.

We may face reputational damage in the event our corporate responsibility initiatives or objectives do not meet the standards set by our investors, stockholders, lawmakers, listing exchange or other constituencies, or if we are unable to achieve an acceptable ESG or sustainability rating from third-party rating services. A low ESG or sustainability rating by a third-party rating service could also result in the exclusion of our common stock from consideration by certain investors who may elect to invest with our competition instead. Ongoing focus on corporate responsibility matters by investors and other parties as described above may impose additional costs or expose us to new risks. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our business, share price, financial condition, or results of operations, including the sustainability of our business over time.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Because we rely on third parties to develop and manufacture our product candidates, we must, at times, share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaboration partners, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have a material adverse effect on our business.

So called "submarine" patents may be granted to our competitors that may significantly alter our launch timing expectations, reduce our projected market size, cause us to modify our product or process or block us from the market altogether.

The term "submarine" patent has been used in the pharmaceutical industry and in other industries to denote a patent issuing from an application that was not published, publicly known or available prior to its grant. Submarine patents add substantial risk and uncertainty to our business. Submarine patents may issue to our competitors covering our pipeline candidates and thereby cause significant market entry delay, defeat our ability to market our products or cause us to abandon development and/or commercialization of a molecule.

Examples of submarine patents include Brockhaus, et al., United States patents 8,063,182 and 8,163,522 (controlled by Amgen), which are directed to the fusion protein in Enbrel. On July 1, 2020, the United States Court of Appeals for the Federal Circuit issued a decision that affirmed the lower court's decision upholding the validity of these patents. As a result, we discontinued the development of CHS-0214 (our etanercept (Enbrel) biosimilar candidate).

The issuance of one or more submarine patents may harm our business by causing substantial delays in our ability to introduce a biosimilar candidate into the United States market.

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

We cannot guarantee that any of our patent searches or analyses, including but not limited to the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete and thorough, nor can we be certain that we have identified each and every patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction.

The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products or pipeline molecules. We may incorrectly determine that our products are not covered by a third-party patent.

Many patents may cover a marketed product, including but not limited to the composition of the product, methods of use, formulations, cell line constructs, vectors, growth media, production processes and purification processes. The identification of all patents and their expiration dates relevant to the production and sale of an originator product is extraordinarily complex and requires sophisticated legal knowledge in the relevant jurisdiction. It may be impossible to identify all patents in all jurisdictions relevant to a marketed product. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our products.

Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

If we are unable to obtain and maintain effective patent rights for our product candidates or any future product candidates, we may not be able to prevent competitors from using technologies we consider important in our successful development and commercialization of our product candidates, resulting in loss of any potential competitive advantage our patents may have otherwise afforded us.

While our principal focus in matters relating to intellectual property is to avoid infringing the valid and enforceable rights of third parties, we also rely upon a combination of patents, trade secret protection and confidentiality agreements to protect our own intellectual property related to our product candidates and development programs. Our ability to enjoy any competitive advantages afforded by our own intellectual property depends in large part on our ability to obtain and maintain patents and other intellectual property protection in the United States and in other countries with respect to various proprietary elements of our product candidates, such as, for example, our product formulations and processes for manufacturing our products and our ability to maintain and control the confidentiality of our trade secrets and confidential information critical to our business.

We have sought to protect our proprietary position by filing patent applications in the United States and abroad related to our products that are important to our business. This 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. 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. There is no guarantee that any patent application we file will result in an issued patent having claims that protect our products. Additionally, while the basic requirements for patentability are similar across jurisdictions, each jurisdiction has its own specific requirements for patentability. We cannot guarantee that we will obtain identical or similar patent protection covering our products in all jurisdictions where we file patent applications.

The patent positions of biopharmaceutical companies generally are highly uncertain and involve complex legal and factual questions. As a result, the patent applications that we own or license may fail to result in issued patents with claims that cover our product candidates in the United States or in other foreign countries for many reasons. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found, considered or cited during patent prosecution, which can be used to invalidate a patent or prevent a patent from issuing from a pending patent application. Even if patents do successfully issue, and even if such patents cover our product candidates, third parties may challenge their validity, enforceability or scope, which may result in such patent claims being narrowed, found unenforceable or invalidated. Our patents and patent applications, even if they are unchallenged, may not adequately protect our intellectual property, provide exclusivity for our product candidates or prevent others from designing around our claims. Any of these outcomes could impair our ability to prevent competitors from using the technologies claimed in any patents issued to us, which may have an adverse impact on our business.

In addition, changes to United States patent laws provide additional procedures for third parties to challenge the validity of issued patents based on patent applications filed after March 15, 2013. If the breadth or strength of protection provided by the patents and patent applications we hold or pursue with respect to our current or future product candidates is challenged, then it could threaten our ability to prevent competitive products using our proprietary technology. Further, because patent applications in the United States and most other countries are confidential for a period of time, typically for 18 months after filing, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications. Furthermore, for applications filed before March 16, 2013 or patents issuing from such applications, an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications and patents. As of March 16, 2013, the United States transitioned to a “first-to-file” system for deciding which party should be granted a patent when two or more patent applications claiming the same invention are filed by different parties. A third party that files a patent application in the USPTO before we do, could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by the third party. The change to “first-to-file” from ”first-to-invent” is one of the changes to the patent laws of the United States resulting from the Leahy-Smith America Invents Act (the “Leahy-Smith Act”), signed into law on September 16, 2011. Among some of the other significant changes to the patent laws are changes that limit

where a patentee may file a patent infringement suit and provide opportunities for third parties to challenge any issued patent in the USPTO. It is not yet clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

Patents granted by the European Patent Office may be opposed by any person within nine months from the publication of their grant and, in addition, may be challenged before national courts at any time. If the breadth or strength of protection provided by the patents and patent applications we hold, license or pursue with respect to our product candidates is threatened, it could threaten our ability to prevent third parties from using the same technologies that we use in our product candidates.

We have issued patents and have filed patent applications, which are currently pending, covering various aspects of our product candidates. We cannot offer any assurances about which, if any, patents will issue, the breadth of any such patent or whether any issued patents will be found invalid and unenforceable or will be threatened or infringed by third parties. Any successful actions by third parties to challenge the validity or enforceability of any patents, which may issue to us could deprive us of the ability to prevent others from using the technologies claimed in such issued patents. Further, if we encounter delays in regulatory approvals, the period of time during which we could market a product candidate under patent protection could be reduced.

While our biosimilar business is based primarily on the timing of our biosimilar product launches to occur after the expiration of relevant patents and on avoiding infringing valid and enforceable rights of third parties, we have filed a number of patent applications seeking patents that cover various proprietary elements of our product candidates when we have believed securing such patents may afford a competitive advantage. Our patent portfolio includes pending patent applications and issued patents, in the United States and globally, covering our biosimilar products and methods of making them. We cannot guarantee that our proprietary technologies will avoid infringement of third-party patents. Moreover, because competitors may be able to develop their own proprietary technologies, it is uncertain whether any of our issued patents or pending patent applications directed to etanercept and adalimumab would cover the etanercept and adalimumab products of any competitors. The product and patent landscape is highly uncertain and we cannot predict whether our patent filings will afford us a competitive advantage against third parties or if our etanercept and adalimumab products will avoid infringement of third-party patents.

We do not consider it necessary for us or our competitors to obtain or maintain a proprietary patent position in order to engage in the business of biosimilar development and commercialization. Hence, while our ability to secure patent coverage on our own proprietary developments may improve our competitive position with respect to the product candidates we intend to commercialize, we do not view our own patent filings as a necessary or essential requirement for conducting our business nor do we rely on our own patent filings or the potential for any commercial advantage they may provide us as a basis for our success.

Obtaining and maintaining our patent protection depends on compliance with various procedural requirements, document submissions, fee payment and other requirements imposed by governmental patent agencies. 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 process. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case.

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

Filing, prosecuting, defending and enforcing patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Further, licensing partners may choose not to file patent applications in certain jurisdictions in which we may obtain commercial rights, thereby precluding the possibility of later obtaining patent protection in these countries. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States or importing products made using our inventions into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and may also export infringing products to territories where we have patent protection, but the ability to enforce our patents is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Governments of foreign countries may force us to license our patents to third parties on terms that are not commercially reasonable or acceptable to us. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

If we are unable to maintain effective (non-patent) proprietary rights for our product candidates or any future product candidates, we may not be able to compete effectively in our markets.

While we have filed patent applications to protect certain aspects of our own proprietary formulation and process developments, we also rely on trade secret protection and confidentiality agreements to protect proprietary scientific, business and technical information and know-how that is not or may not be patentable or that we elect not to patent. However, confidential information and trade secrets can be difficult to protect. Moreover, the information embodied in our trade secrets and confidential information may be independently and legitimately developed or discovered by third parties without any improper use of or reference to information or trade secrets. We seek to protect the scientific, technical and business information supporting our operations, as well as the confidential information relating specifically to our product candidates by entering into confidentiality agreements with parties to whom we need to disclose our confidential information, for example, our employees, consultants, scientific advisors, board members, contractors, potential collaborators and investors. However, we cannot be certain that such agreements have been entered into with all relevant parties. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. Our confidential information and trade secrets thus may become known by our competitors in ways we cannot prove or remedy.

Although we expect all of our employees and consultants to assign their inventions to us, and all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology to enter into confidentiality agreements, we cannot provide any assurances that all such agreements have been duly executed. We cannot guarantee that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. For example, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Misappropriation or unauthorized disclosure of our trade secrets could impair our competitive position and may have a material adverse effect on our business. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. We cannot guarantee that our employees, former employees or consultants will not file patent applications claiming our inventions. Because of the “first-to-file” laws in the United States and the EU, such unauthorized patent application filings may defeat our attempts to obtain patents on our own inventions.

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

Although we are not currently aware of any claims challenging the inventorship of our patent applications or ownership of our intellectual property, we may in the future be subject to claims that former employees, collaborators or other third parties have an interest in our patent applications or patents we may be granted or other intellectual property as an inventor or co-inventor. For example, we may have inventorship or ownership disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of or right to use valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We or the third parties upon whom we depend on may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our corporate headquarters and laboratory are located in the San Francisco Bay Area and in Southern California (Camarillo), respectively. These locations have in the past experienced severe earthquakes, floods and other natural disasters. We do not carry earthquake insurance. Earthquakes or other natural disasters could severely disrupt our operations or those of our collaboration partners and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure (such as the manufacturing facilities of our third-party contract manufacturers) or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business.

The continuation of the war in Ukraine and conflicts in the Middle East may exacerbate certain risks we face.

The war between Russia and Ukraine and the global response, including the imposition of sanctions by the United States and other countries, could create or exacerbate risks facing our business. Conflicts in the Middle East may also increase the risks facing our business. We have evaluated our operations and partner contracts, and we currently do not expect either conflict to directly have a significant effect on our financial condition or results of operations. However, if the war between Russia and Ukraine or conflicts in the Middle East escalate or expand, risks that we have identified in this Annual Report on Form 10-K may be materially increased. For example, if our supply arrangements or clinical operations are disrupted due to expanded sanctions or involvement of, and adverse impacts on, countries where we have operations or relationships, our business could be materially disrupted. Further, the use of cyberattacks could expand as part of the ongoing conflicts, which could adversely affect our ability to maintain or enhance our cyber security measures. These and other risks are described more fully in this "Risk Factors" section.

We incur significant increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes-Oxley Act of 2002, which could result in sanctions or other penalties that would harm our business.

We incur significant legal, accounting and other expenses as a public company, including costs resulting from public company reporting obligations under the Securities Exchange Act, and regulations regarding corporate governance practices. The listing requirements of The Nasdaq Global Market require that we satisfy certain corporate governance requirements relating to director independence, distributing annual and interim reports, stockholder meetings, approvals and voting, soliciting proxies, conflicts of interest and a code of conduct. Our management and other personnel must devote a substantial amount of time to ensure that we maintain compliance with all of these requirements. Moreover, the reporting requirements, rules and regulations have increased our legal and financial compliance costs and make some activities more time consuming and costly. Any changes we have made, and may make in the future to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all. These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, may also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or board committees or to serve as executive officers, or to obtain certain types of insurance, including directors' and officers' insurance, on acceptable terms.

We are subject to Section 404 of The Sarbanes-Oxley Act of 2002 ("Section 404"), and the related rules of the SEC, which generally require our management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. During the course of our review and testing, we may identify deficiencies and be unable to remediate them before we must provide the required reports. Furthermore, if we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. We or our independent registered public accounting firm may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the trading price of our stock to fall. In addition, as a public company we are required to file accurate and timely quarterly and annual reports with the SEC under the Exchange Act. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from The Nasdaq Global Market or other adverse consequences that would materially harm our business.

Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may also lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the

manner in which we operate our business in ways we cannot currently anticipate. For example, the SEC's proposed climate disclosure rule would result in significant costs of compliance if final rules that are similar to the proposed rules are approved in the future. 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 these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain our current levels of such coverage.

Our information technology systems, or those used by our third-party CROs or other contractors or consultants, may fail or suffer security breaches and geopolitical tensions or conflicts, such as the ongoing war in Ukraine or conflicts in the Middle East, may create a heightened risk of cyberattacks.

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information, preclinical and clinical trial data, and personal information (collectively, "Confidential Information") of customers and our employees and contractors. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such Confidential Information.

Despite the implementation of security measures, our information technology systems as well as those of our third-party collaborators, consultants, contractors, suppliers, and service providers, may be vulnerable to damage from physical or electronic break-ins, computer viruses, misconfigurations, "bugs" or other vulnerabilities, "phishing" attacks, malware, ransomware, denial of service and other cyberattacks or disruptive incidents that could result in unauthorized access to, use or disclosure of, corruption of, or loss of Confidential Information and could subject us to significant liabilities and regulatory and enforcement actions, and reputational damage. In addition, geopolitical tensions or conflicts, such as the war between Russia and Ukraine or conflicts in the Middle East, may create a heightened risk of cyberattacks. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may or could have access to our Confidential Information. If we or any of our third-party collaborators or service providers were to experience any material failure or security breach, it could result in a material disruption of our development programs, reputation, and business operations. For example, the loss of clinical study data from completed or ongoing clinical studies could result in delays in any regulatory approval or clearance efforts and significantly increase our costs to recover or reproduce the data, and subsequently commercialize the product.

We and certain of our service providers are from time to time subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failure, accident or security breach to date, if we or our third-party collaborators, consultants, contractors, suppliers, or service providers were to suffer an attack or breach, for example, that resulted in the unauthorized access to or use or disclosure of Confidential Information, we may have to notify individuals, collaborators, government authorities, and the media, and may be subject to investigations, civil penalties, administrative and enforcement actions, and litigation, any of which could harm our business and reputation. Likewise, we rely on our third-party CROs and other third parties to conduct clinical studies, and similar events relating to their computer systems could also have a material adverse effect on our business. There can also be no assurance that our and our service providers' cybersecurity risk management program and processes, including policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems, networks and Confidential Information.

Attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. Further, the continued hybrid working environment has generally increased the attack surface available to criminals, as more companies and individuals work online and work remotely, and as such, the risk of a cybersecurity incident potentially occurring, and our investment in risk mitigations against such an incident, is increasing. Because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.

To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate or unauthorized access to or disclosure or use of Confidential Information, we could incur liability and suffer reputational harm, and the development and commercialization of our products could be delayed. Federal, state and international laws and regulations can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties, fines and significant legal liability, if our information technology security efforts fail. We may also be exposed to a risk of loss or litigation and potential liability, which could materially and adversely affect our business, results of operations or financial condition. Our insurance policies may not be

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

We are subject to governmental regulation and other legal obligations related to privacy, data protection and information security. Compliance with these requirements could result in additional costs and liabilities to us or inhibit our ability to collect and process data, and the failure to comply with such requirements could have a material adverse effect on our business, financial condition or results of operations.

The global data protection landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal information, such as information that we may collect in connection with clinical trials in the U.S. and abroad. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. Compliance with these privacy and data security requirements is rigorous and time-intensive and may increase our cost of doing business. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulations, our internal policies and procedures or our contracts governing our processing of personal information could result in negative publicity, fines and penalties, litigation and reputational harm, which could materially and adversely affect our business, financial condition and results of operations.

In the United States, we and our partners may be subject to numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws and regulations, that govern the collection, use, disclosure, and protection of health-related and other personal information could apply to our operations or the operations of our partners. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996, as amended, or HIPAA. Depending on the facts and circumstances, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA.

Even when HIPAA does not apply, according to the Federal Trade Commission ("FTC"), failing to take appropriate steps to keep consumers' personal information secure constitutes unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. The FTC has authority to initiate enforcement actions against entities that make deceptive statements about privacy and data sharing in privacy policies, fail to limit third-party use of personal health information, fail to implement policies to protect personal health information or engage in other unfair practices that harm customers or that may violate Section 5(a) of the FTC Act. Additionally, federal and state consumer protection laws are increasingly being applied by the FTC and states' attorneys general to regulate the collection, use, storage, and disclosure of personal or personally identifiable information, through websites or otherwise, and to regulate the presentation of website content.

In addition, state laws govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same requirements, thus complicating compliance efforts. By way of example, California enacted the California Consumer Privacy Act (the "CCPA") on June 28, 2018, which went into effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that has increased the likelihood of, and risks associated with, data breach litigation. Further, the California Privacy Rights Act ("CPRA") generally went into effect on January 1, 2023, and significantly amends the CCPA. It imposes additional data protection obligations on covered businesses, 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 also creates a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Additional compliance investment and potential business process changes may also be required. Similar laws have passed in other states and are continuing to be proposed at the state and federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

In addition, the regulatory framework for the receipt, collection, processing, use, safeguarding, sharing and transfer of personal and confidential data is rapidly evolving and is likely to remain uncertain for the foreseeable future as new global privacy rules are being enacted and existing ones are being updated and strengthened. For example, on May 25, 2018, the General Data Protection Regulation ("GDPR") took effect. The GDPR is applicable in each EEA member state and applies to companies established in the EEA as well as companies that collect and use personal data to offer goods or services to, or monitor the behavior of, individuals in the EEA, including, for example, through the conduct of clinical trials. GDPR introduces more stringent data protection obligations for processors and controllers of personal data. Among other things, the GDPR requires the establishment of a lawful basis for the processing of data, includes requirements relating to the consent of the individuals to whom the personal data relates, including detailed notices for clinical trial subjects and investigators, as well as requirements regarding the security of personal data and notification of data processing obligations or security incidents to appropriate data protection authorities or data subjects. The GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States; and the efficacy and longevity of current transfer mechanisms between the EEA and the United States remains uncertain. Case law from the Court of Justice of the European Union ("CJEU") states that reliance on the standard contractual clauses - a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism - alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. On July 10, 2023, the European Commission adopted its Adequacy Decision in relation to the new EU-US Data Privacy Framework ("DPF") rendering the DPF effective as a GDPR transfer mechanism to U.S. entities self-certified under the DPF. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. In particular, we expect the DPF Adequacy Decision to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. As a result, we may have to make certain operational changes and we will have to implement revised standard contractual clauses and other relevant documentation for existing data transfers within required time frames. Penalties and fines for failure to comply with GDPR are significant, including fines of up to €20 million or 4% of total worldwide annual turnover, whichever is higher. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease/ change our data processing activities, enforcement notices, assessment notices (for a compulsory audit) and/ or civil claims (including class actions).

Further, since the beginning of 2021, we have also been subject to the United Kingdom General Data Protection Regulation and Data Protection Act 2018, which imposes separate but similar obligations to those under the GDPR and comparable penalties, including fines of up to £17.5 million or 4% of a noncompliant company's global annual revenue for the preceding financial year, whichever is greater. On October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK government), as a UK GDPR data transfer mechanism from the U.K. to U.S. entities self-certified under the DPF. Other foreign jurisdictions are increasingly implementing or developing their own privacy regimes with complex and onerous compliance obligations and robust regulatory enforcement powers. As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business.

Although we work to comply with applicable laws, regulations and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another or other legal obligations with which we must comply. Any failure or perceived failure by us or our employees, representatives, contractors, consultants or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in additional cost and liability to us, damage our reputation, and have a material adverse effect on our business, financial condition and results of operations.

We may be negatively impacted by continued inflation.

We may be adversely impacted by continued increases in inflation. Current and future inflation may be driven by the following factors: supply chain disruptions, increased costs of transportation, increased input costs such as the cost of fuel, shortages, and governmental stimulus or fiscal policies. Continuing increases in inflation could impact the overall demand for our products, our costs for labor and materials and the size of any margins we are able to realize on our revenues. This would have a material and adverse impact on our business, financial position, results of operations and cash flows. Inflation may also result in higher interest rates, which in turn would result in higher interest expense related to our variable rate indebtedness.

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 the success of our business.

Our research and development activities and our third-party manufacturers' and suppliers' activities involve the controlled storage, use and disposal of hazardous materials, including the components of our product candidates and other hazardous compounds.

We and our manufacturers and suppliers are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. In some cases, these hazardous materials and various wastes resulting from their use are stored at our and our manufacturers' facilities pending their use and disposal. We cannot eliminate the risk of contamination, which could cause an interruption of our commercialization efforts, research and development efforts and business operations, environmental damage resulting in costly cleanup and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. Although we believe that the safety procedures utilized by us and our third-party manufacturers for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, we cannot guarantee that this is the case or eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources and state or federal or other applicable authorities may curtail our use of certain materials and/or interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance. We do not currently carry biological or hazardous waste insurance coverage.

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

Not applicable.

Item 1C. ***Cybersecurity***

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program is designed to align with industry standards and incorporates best practices such as the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

We have also established an interdisciplinary Cybersecurity Incident Response Team ("CIRT"), which is responsible for our incident response plan, our security controls, and for assessing incidents reported by our information technology security team. In addition, our cybersecurity risk management program includes:

- Monitoring and evaluation of our vulnerability performance.
- Implementation of processes to oversee and identify risks from cybersecurity threats associated with our use of third-party service providers that have access to our critical systems and information. For any agreements with service providers that do not contain acceptable protections, we are working to put them in place on an ongoing basis.
- Risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise information technology environment. We use a third-party consultant to provide us with advisory, project execution, and operational support in connection with cybersecurity and to conduct NIST assessments and vulnerability evaluations.
- Cybersecurity awareness training of our employees, incident response personnel, and senior management.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. For more information, see the section titled "Risk Factor— Our information technology systems, or those used by our third-party CROs or other contractors or consultants, may fail or suffer security breaches and geopolitical tensions or conflicts, such as the ongoing war in Ukraine or conflicts in the Middle East, may create a heightened risk of cyberattacks."

Cybersecurity Governance

Risk assessment and oversight are an integral part of our governance and management processes. Our Board of Directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Our Board considers cybersecurity risk as part of its risk oversight function and oversees management's implementation of our cybersecurity risk management program.

Management discusses strategic and operational risks at regular management meetings and conducts specific strategic planning and review sessions throughout the year. Throughout the year, senior management reviews these risks, including with respect to cybersecurity, with the Board of Directors at board meetings from time to time as part of management presentations that focus on particular business functions, operations or strategies and presents the steps taken by management to mitigate or eliminate such risks. We have implemented a risk-based approach to identify and assess the cybersecurity threats that could adversely affect our business, data or information systems that we use or own.

Our Vice President of Information Technology, as head of our information technology team, leading our cybersecurity efforts, oversees the day-to-day administration of our cybersecurity program. Our CIRT has members that include our Chief Executive Officer, Chief Financial Officer, and Vice President of Information Technology. As key members of our management team, our Chief Executive Officer, Interim Chief Financial Officer, and Vice President of Information Technology have approximately a combined 45 years of risk management experience and are responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Key members of our information technology management team collectively possess over 15 years of hands-on experience in implementing a diverse array of cybersecurity initiatives. Their expertise spans both cloud and on-premise IT infrastructure and applications/systems, cultivated through extensive engagement across various regulated environments.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the information technology environment.

Item 2. ***Properties***

Our headquarters are located in Redwood City, California, where we occupy office space under a lease that was amended in October 2023. Pursuant to the amendment, we extended the term of the lease through September 30, 2027 for approximately 27,532 square feet of office space and for 20,257 square feet of previously-leased office space, the term of the lease expired on December 31, 2023.

Our analytical and process development laboratory is located in Camarillo, California under a lease that expires in May 2027, and contains a one-time option to extend the lease term for five years.

We believe that our existing facilities are adequate for our current needs. When our leases expire, or if we need to hire more employees, we may exercise our renewal option or look for additional or alternate space for our operations and we believe that suitable additional or alternative space will be available in the future on commercially reasonable terms.

Item 3. ***Legal Proceedings***

The information called for by this Item is incorporated herein by reference to Item 8. “Financial Statements and Supplementary Data,” Note 9. “Commitments and Contingencies.”

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

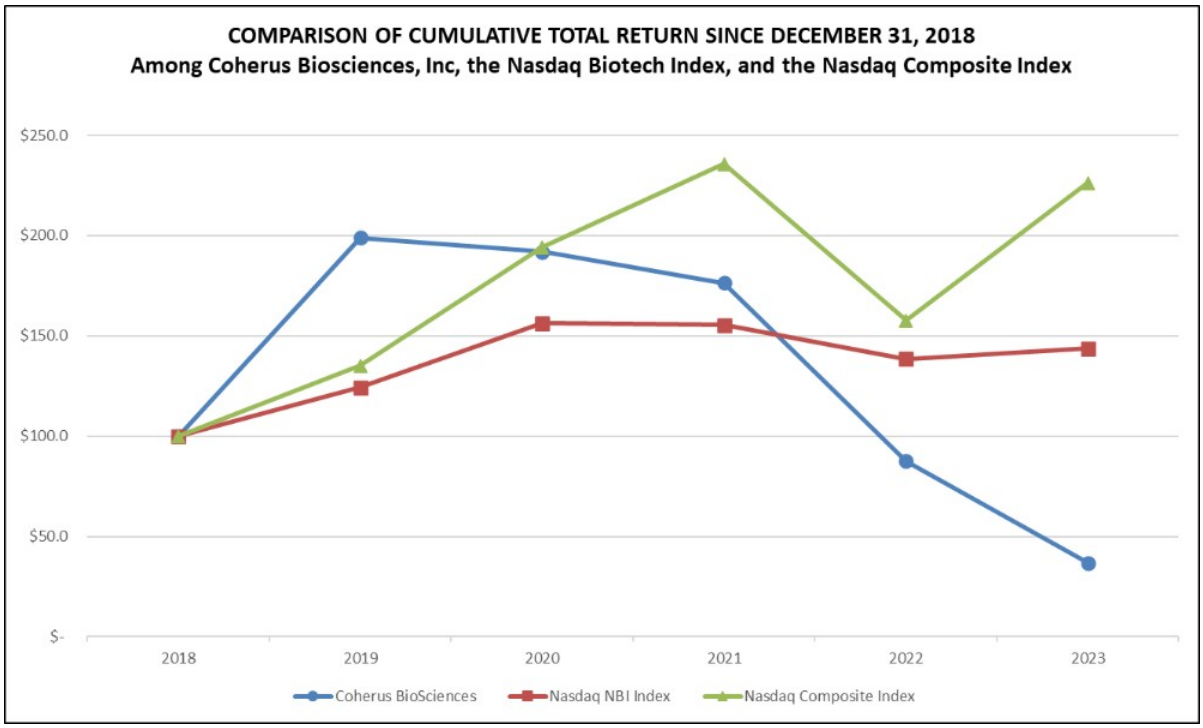
Our common stock has been listed on The Nasdaq Global Market under the symbol "CHRS" since November 6, 2014. As of February 29, 2024, there were approximately 85 stockholders of record of our common stock.

Dividends

We have never declared or paid any cash dividends on our capital stock and do not anticipate paying cash dividends in the foreseeable future.

Stock Performance Graph

The following graph shows the total stockholder's return on an investment of $100 in cash at market close on December 31, 2018 through December 29, 2023 (the last trading day at the end of our fifth fiscal year) for (i) our common stock, (ii) the Nasdaq Composite Index and (iii) the Nasdaq Biotechnology Index. Pursuant to applicable Securities and Exchange Commission rules, all values assume reinvestment of the full amount of all dividends, however, no dividends have been declared on our common stock to date. The stockholder return shown on the graph below is not necessarily indicative of future performance, and we do not make or endorse any predictions as to future stockholder return. This graph shall not be deemed "soliciting material" or be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



Recent Sales of Unregistered Equity Securities

From January 1, 2023 through December 31, 2023, there were no sales or issuances of unregistered securities that were not otherwise reported on a Quarterly Report on Form 10-Q or Current Report on Form 8-K.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the fourth quarter ended December 31, 2023. A total of 96,047 shares were surrendered to Coherus in the fourth quarter of 2023, to satisfy minimum tax withholding obligations in connection with the vesting or exercise of stock-based awards.

Item 6. [Reserved]

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

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K ("Form 10-K"). This Form 10-K, including the following sections, contains forward-looking statements within the meaning of the federal securities laws. These statements are subject to risks and uncertainties that could cause actual results and events to differ materially from those expressed or implied by such forward-looking statements. For a detailed discussion of these risks and uncertainties, see the "Risk Factors" section in Item 1A of this Form 10-K. We caution the reader not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this Form 10-K. We undertake no obligation to update forward-looking statements, which reflect events or circumstances occurring after the date of this Form 10-K.

This MD&A section generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on March 6, 2023.

Overview

We are a commercial-stage biopharmaceutical company focused on the research, development and commercialization of innovative cancer treatments and the commercialization of our portfolio of FDA-approved oncology products, including LOQTORZI. Our strategy is to build a leading immuno-oncology business funded with cash generated from our diversified portfolio of FDA-approved therapeutics.

As of March 15, 2024, our commercial portfolio includes two FDA-approved biosimilar products. Our first product, UDENYCA, a biosimilar to Neulasta, a long-acting G-CSF, was launched commercially in the United States in January 2019. The FDA approved the PAS for an AI presentation of UDENYCA on March 3, 2023, and on May 22, 2023 we announced the availability of UDENYCA AI for commercial sale. On December 26, 2023 we announced that the FDA approved the PAS for our third pegfilgrastim presentation, UDENYCA ONBODY. UDENYCA ONBODY became commercially available in the first quarter of 2024. Our second product, YUSIMRY (adalimumab-aqvh), a biosimilar to Humira (adalimumab), was launched in the United States in July 2023. Another product, CIMERLI (ranibizumab-eqrn), was approved by the FDA in August 2022 as a biosimilar product interchangeable with Lucentis (ranibizumab injection) for the treatment of neovascular (wet) age-related macular degeneration, macular edema following retinal vein occlusion, diabetic macular edema, diabetic retinopathy, and myopic choroidal neovascularization. We launched CIMERLI commercially in the United States in October 2022. On January 19, 2024, we entered into the Purchase Agreement by and between us and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

Our commercial portfolio includes LOQTORZI, a novel PD-1 inhibitor. On October 27, 2023, we announced that LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. LOQTORZI is an anti-PD-1 antibody that we developed in collaboration with Junshi Biosciences. We announced the launch of LOQTORZI in the U.S. on January 2, 2024.

We also have a pipeline of earlier stage clinical and preclinical immuno-oncology programs. On September 8, 2023, we acquired Surface and took ownership of its assets, including its portfolio of product candidates. The lead clinical stage product candidate from the Surface Acquisition is casdozokitug (CHS-388, formerly SRF388), an investigational antibody targeting IL-27, an immune regulatory cytokine, or protein that is overexpressed in certain cancers, including hepatocellular, lung and renal cell carcinoma. IL-27 is a cytokine

secreted by macrophages and antigen presenting cells that plays an important physiologic role in suppressing the immune system, as evidenced by its ability to resolve tissue inflammation. In addition, one of the subunits of IL-27, EBI3, is highly expressed during pregnancy and its expression is correlated with maternal-fetal tolerance. Due to its immunosuppressive nature, there is a rationale for inhibiting IL-27 to treat cancer, as this approach will influence the activity of multiple types of immune cells that are necessary to recognize and attack a tumor. Casdozokitug received orphan drug designation and fast track designation from the FDA for the treatment of HCC in November 2020.

Casdozokitug is currently in two on-going clinical studies, a Phase 1/2 study in patients with advanced solid tumors (clinicaltrials.gov identifier# NCT04374877) and a Phase 2 study in HCC (clinicaltrials.gov identifier# NCT05359861). Our second clinical-stage product candidate from the Surface Acquisition, CHS-114 (formerly SRF114), is an investigational IgG1 antibody targeting CCR8, a chemokine receptor highly expressed on Treg cells in the TME. CHS-114 is designed to cause depletion of intra-tumoral Treg cells, important regulators of immune suppression and tolerance, through ADCC, or ADCP, or both, that has shown anti-tumor activity in preclinical models. We are enrolling patients with advanced solid tumors in North America in a clinical trial evaluating safety and pharmacokinetics of CHS-114 (clinicaltrials.gov identifier# NCT05635643). We are also pursuing an early-stage development candidate that is in investigational new drug application-enabling studies, CHS-1000, an antibody targeting human ILT4, designed to improve anti-PD-1 clinical benefit by transforming an unfavorable TME to a more favorable TME.

In addition to our internally developed portfolio of product candidates that we obtained in the Surface Acquisition, we have two product candidates, NZV930 and GSK4381562, which are exclusively licensed to Novartis Institutes and GSK, respectively. We will pay 70% of all milestone- and royalty-based payments that we or our affiliates actually receive from the product candidates licensed to Novartis Institutes and GSK during the ten-year period following the entry into the CVR Agreement to the holders of the CVRs.

We have built an experienced and robust oncology market access, key account management and medical affairs capability in the United States, which have supported the successful commercialization of UDENYCA across its three FDA-approved presentations. We expect to leverage these capabilities as we build and launch our immuno-oncology franchise.

We primarily operate in the United States and partner with companies that operate in other countries.

Business Update

Surface Acquisition

On September 8, 2023 (the "Acquisition Date"), in accordance with the Agreement and Plan of Merger dated June 15, 2023 (the "Merger Agreement") by and among us, Crimson Merger Sub I, Inc., a direct, wholly owned subsidiary of the Company ("Merger Sub I"), Crimson Merger Sub II, LLC, a direct, wholly owned subsidiary of the Company ("Merger Sub II," and together with Merger Sub I, the "Merger Subs"), and Surface, we completed the acquisition of Surface, a clinical-stage I-O company focused on using its specialized knowledge of the biological pathways critical to the immunosuppressive tumor microenvironment for the development of next-generation cancer therapies. The Surface Acquisition expanded our I-O pipeline with the following: casdozokitug (CHS-388, formerly SRF388), an investigational, novel IL-27-targeted antibody currently being evaluated in a Phase 2 clinical trial in HCC, and CHS-114 (formerly SRF114), an investigational, CCR8-targeted antibody currently in a Phase 1/2 study as a monotherapy in patients with advanced solid tumors.

On September 8, 2023, we issued to the holders of all outstanding Surface common stock (other than treasury shares, any shares of Surface common stock held directly by us or the Merger Subs immediately prior to the Acquisition Date and shares of Surface common stock issued and outstanding immediately prior to the Acquisition Date and held by any holder properly demanding appraisal for such shares in accordance with Section 262 of the Delaware General Corporation Law) 0.1960 shares of our common stock in exchange for each share of outstanding Surface common stock and certain outstanding Surface employee equity awards. The exchange ratio was calculated pursuant to the terms of the Merger Agreement and was based on a $5.2831 per share price of our common stock and a nominal total amount of cash in lieu of fractional shares. Surface shareholders also received one CVR for each share of Surface common stock and employee equity award converted. Each CVR entitles the holder to receive quarterly contingent payments in the form of cash, stock or a combination of cash and stock at our discretion during the ten-year period following September 8, 2023, for the sum of the following, less any permitted deductions (in accordance with the CVR Agreement):

- 70% of all milestone- and royalty-based payments actually received by us or our affiliates under the GSK Agreement related to the existing program (GSK4381562);

- 70% of all milestone- and royalty-based payments actually received by us or our affiliates under the Novartis Agreement related to the existing program (NZV930);
- 25% of any upfront payment actually received by us or our affiliates pursuant to potential ex-U.S. licensing agreements for CHS-114; and
- 50% of any upfront payment actually received by us or our affiliates pursuant to potential ex-U.S. licensing agreements for casdozokitug.

We expensed $5.1 million of acquisition-related costs during 2023.

CIMERLI Divestment Transaction

On January 19, 2024, we entered into the Purchase Agreement by and between us and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

Other Updates

On October 27, 2023, we announced that LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. LOQTORZI is an anti-PD-1 antibody that we developed in collaboration with Junshi Biosciences. We announced the launch of LOQTORZI in the U.S. on January 2, 2024.

During the year ended December 31, 2023, we donated approximately 36,000 units of UDENYCA in the PFS presentation to the nonprofit organization Direct Relief to benefit cancer patients in low- and middle-income countries requiring increased access for vulnerable patients. The carrying value of this inventory was written down to zero in the third quarter of 2022, thus there was no charge associated with the donation.

On October 9, 2023, in accordance with the terms of an Optional Stock Purchase Agreement entered with a CMO on September 28, 2023 (the "Optional Stock Purchase Agreement"), we issued 2,225,513 shares of our common stock to the CMO for a price of $3.675 per share, representing an aggregate value of $8.2 million. The Optional Stock Purchase Agreement gave us the option, in our sole discretion to elect to pay for certain manufacturing services provided by the CMO by either paying cash or issuing shares of our common stock in a private placement offering (the "Stock Service Fee Payment"). On October 4, 2023, we notified the CMO of our election of the Stock Service Fee Payment. The price per share of common stock was equal to the volume-weighted average closing trading price per share of common stock on the Nasdaq Global Market over the ten-trading day period ending on and including October 6, 2023.

On November 8, 2022, we filed a registration statement on Form S-3, which was declared effective on November 17, 2022 (the "Registration Statement"). Under the Registration Statement, we could offer and sell up to $150.0 million in the aggregate of our common stock, preferred stock, debt securities, warrants and units from time to time in one or more offerings. Also on November 8, 2022, we entered into the Sales Agreement with TD Cowen pursuant to which we may issue and sell from time to time up to $150.0 million of our common stock in the ATM Offering. On May 15, 2023, pursuant to an Amendment No. 1 to Sales Agreement, we reduced the number of shares that could be issued and sold pursuant to the ATM Offering by $86.25 million, lowering the aggregate offering price under the Sales Agreement from $150.0 million to $63.75 million. On September 11, 2023, pursuant to Amendment No. 2 to Sales Agreement, we increased the number of shares that could be issued and sold pursuant to its ATM Offering with TD Cowen by $28.75 million, increasing the aggregate offering price under the Sales Agreement from $63.75 million to $92.5 million. For the ATM Offering program to date as of December 31, 2023, we sold 4,476,645 shares of common stock at a weighted-average price per share of $5.81 for gross proceeds of $26.0 million pursuant to the ATM Offering and received net proceeds of $25.4 million, net of $0.6 million of commissions and fees.

On January 10, 2024, we announced that we had delivered a notice of termination for the TIGIT Program (as defined in the Collaboration Agreement) to Junshi Biosciences pursuant to the Collaboration Agreement. We had previously notified Junshi Biosciences on January 9, 2022 of our election to exercise the license option for the TIGIT program CHS-006 described in the Collaboration Agreement (the "TIGIT Program"). After our acquisition of Surface Oncology, Inc. in September 2023, we disclosed that we would conduct a portfolio prioritization process to allocate resources towards the most promising and competitively positioned product candidates in our pipeline.

We believed it would be in our best interests to terminate future work with Junshi Biosciences on the TIGIT Program. We plan to continue to wind down work with Junshi Biosciences on the TIGIT Program pursuant to the termination. Despite the termination of the work with Junshi BioSciences on the TIGIT Program, we will continue to support patients in its current studies involving CHS-006 (clinicaltrials.gov identifier# NCT05061628 and clinicaltrials.gov identifier# NCT05757492). The Collaboration Agreement remains effective and active for all other purposes as we continue to work together with Junshi Biosciences on the development of LOQTORZI.

On February 5, 2024, we entered into the Consent and Amendment with the Collateral Agent and the Lenders, pursuant to which the Lenders and the Collateral Agent provided certain consents, and released certain assets and subsidiaries of the Company from their obligations under the Loan Agreement and the other loan documents in connection therewith, and the parties thereto agreed to amend the previously disclosed Loan Agreement. Pursuant to and subject to terms and conditions in the Consent and Amendment, among other things: (1) the Lenders and the Collateral Agent provided consent to consummation of the transactions contemplated by the Purchase Agreement, and released certain subsidiary of us from our obligation and certain assets subject to the transactions contemplated thereby, (2) the Lenders and the Collateral Agent required us to make a partial prepayment of the principal of the loans outstanding under the Loan Agreement in the amount of $175.0 million upon consummation of the transactions contemplated by the Purchase Agreement, subject to certain conditions and (3) the parties thereto agreed to adjust the minimum net sales covenant level under the Loan Agreement. Other terms of the Loan Agreement, as amended by the Consent and Amendment, remain generally identical to those under the Loan Agreement. Upon the closing of the Sale Transaction we became liable to repay $175.0 million of the existing principal balance of $250.0 million of the loans outstanding under the Loan Agreement on April 1, 2024 and we plan to repay $175.0 million and the prepayment premium and makewhole amount of $6.8 million to the Lenders on or before April 1, 2024 pursuant to the Consent and Amendment.

Products and Product Candidates

Our portfolio includes the following products and product candidates:

Oncology

- UDENYCA, a biosimilar to Neulasta, a long-acting G-CSF, was launched commercially in the United States in January 2019. The FDA approved the PAS for an AI presentation of UDENYCA on March 3, 2023, and on May 22, 2023 we announced the availability of UDENYCA AI for commercial sale. On December 26, 2023 we announced that the FDA approved the PAS for our third pegfilgrastim presentation, UDENYCA ONBODY. UDENYCA ONBODY became commercially available in the first quarter of 2024.

- LOQTORZI was developed for its ability to block PD-1 interactions with its ligands, PD-L1 and PD-L2, by binding to the FG loop on the PD-1 receptor. We believe blocking PD-1 interactions with PD-L1 and PD-L2 can help to promote the immune system's ability to attack and kill tumor cells.

  On October 27, 2023, we announced that LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. LOQTORZI is an anti-PD-1 antibody that we developed in collaboration with Junshi Biosciences. We announced the launch of LOQTORZI in the U.S. on January 2, 2024.

- Casdozokitug (CHS-388, formerly SRF388), is an investigational recombinant human IgG1 monoclonal antibody targeting IL-27, an immune regulatory cytokine, or protein that is overexpressed in certain cancers, including hepatocellular, lung and renal cell carcinoma. IL-27 is a cytokine secreted by macrophages and antigen presenting cells that plays an important physiologic role in suppressing the immune system, as evidenced by its ability to resolve tissue inflammation. In addition, IL-27 is highly expressed during pregnancy and its expression is correlated with maternal-fetal tolerance. Due to its immune regulatory nature, there is a rationale for inhibiting IL-27 to treat cancer, as this approach will influence the activity of multiple types of immune cells that are necessary to recognize and attack a tumor. Casdozokitug received orphan drug designation and fast track designation from the FDA for the treatment of HCC in November 2020. Casdozokitug is currently in two on-going clinical studies a Phase 1/2 study in advanced solid tumors (clinicaltrials.gov identifier# NCT04374877) and a Phase 2 study in HCC (clinicaltrials.gov identifier# NCT05359861).

- CHS-114 (formerly SRF114), is an investigational highly specific human afucosylated IgG1 monoclonal antibody selectively targeting CCR8, a chemokine receptor highly expressed on Treg cells in the TME. CHS-114 is designed as a cytolytic antibody

to cause depletion of intra-tumoral Treg cells, important regulators of immune suppression and tolerance, through ADCC, and/or ADCP. CHS-114 has shown anti-tumor activity as monotherapy or in combination with anti-PD-1 antibodies in preclinical models. We are enrolling patients with advanced solid tumors in North America in a clinical trial evaluating safety and pharmacokinetics of CHS-114 (clinicaltrials.gov identifier# NCT05635643).

- We are pursuing an early-stage development candidate, CHS-1000, an antibody targeting human ILT4, designed to improve anti-PD-1 clinical benefit by transforming an unfavorable TME to a more favorable TME. We plan to submit an IND to the FDA in the second quarter of 2024 for CHS-1000.

- In addition to our internally developed portfolio of product candidates that we obtained in the Surface Acquisition, we also own NZV930 and GSK4381562, which are exclusively licensed to Novartis Institutes and GSK, respectively. NZV930 is an antibody designed to inhibit CD73, which is a critical enzyme involved in the production of extracellular adenosine, a key metabolite with strong immunosuppressive properties within the TME. NZV930 aims to reduce the production of immunosuppressive adenosine within the TME. GSK4381562 is an antibody targeting CD112R, also known as PVRIG, an inhibitory protein expressed on NK and T cells. GSK4381562 blocks the interaction of CD112R with CD112, its binding partner that is expressed on tumor cells. GSK4381562 can promote the activation of both NK and T cells, with potential to elicit a strong anti-tumor response and promote immunological memory. We will pay 70% of all milestone- and royalty-based payments that we or our affiliates actually receive from the product candidates licensed to Novartis Institutes and GSK during the ten-year period following the entry into the CVR Agreement to the holders of the CVRs.

Immunology

- YUSIMRY, a biosimilar of Humira (adalimumab), is a monoclonal antibody that can bind to TNF. YUSIMRY provides certain therapeutic benefits for treatment of patients with certain inflammatory diseases characterized by increased production of TNF in the body, including rheumatoid arthritis, juvenile idiopathic arthritis, psoriatic arthritis, ankylosing spondylitis, Crohn's disease, psoriasis and ulcerative colitis. In December 2021, the FDA approved YUSIMRY, which we launched in the United States in July 2023. The list price of YUSIMRY at launch represented an approximately 85% discount to the list price of Humira. YUSIMRY is now available for sale nationwide through select retail, mail order, and specialty pharmacy channels.

Ophthalmology franchise – sold to Sandoz pursuant to the Sale Transaction

- CIMERLI is a Lucentis biosimilar. In November 2019, we entered into a license agreement with Bioeq for the commercialization of CIMERLI in certain dosage forms in both a vial and pre-filled syringe ("PFS") presentation. Under the Bioeq Agreement, Bioeq granted to us an exclusive royalty-bearing license to commercialize CIMERLI in the field of ophthalmology (and any other approved labelled indication) in the United States.

  On August 2, 2022, the FDA approved CIMERLI as a biosimilar product interchangeable with Lucentis for the treatment of neovascular (wet) age-related macular degeneration, macular edema following retinal vein occlusion, diabetic macular edema, diabetic retinopathy, and myopic choroidal neovascularization. The FDA also granted CIMERLI 12 months of first interchangeable exclusivity. On October 3, 2022, we launched CIMERLI commercially in the United States in both 0.3 mg and 0.5 mg dosage forms.

  On January 19, 2024, we entered into the Purchase Agreement by and between us and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the divestiture of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

License Agreement with Junshi Biosciences

On February 1, 2021, we entered into the Collaboration Agreement with Junshi Biosciences for the co-development and commercialization of LOQTORZI, Junshi Biosciences' anti-PD-1 antibody in the United States and Canada.

Under the terms of the Collaboration Agreement, we paid $150.0 million upfront for exclusive rights to LOQTORZI in the United States and Canada, an option in these territories to Junshi Biosciences' anti-TIGIT antibody CHS-006, an option in these territories to a next-generation engineered IL-2 cytokine, and certain negotiation rights to two undisclosed preclinical immuno-oncology drug candidates. We will have the right to conduct all commercial activities of LOQTORZI in the United States and Canada. We are obligated to pay Junshi Biosciences up to a 20% royalty on net sales of LOQTORZI and up to an aggregate $380.0 million in one-time payments for the achievement of various regulatory and sales milestones.

In March 2022, we paid $35.0 million for the exercise of our option to license CHS-006. Subsequent joint development consistent with the Collaboration Agreement commenced. On January 10, 2024, we announced that we had delivered a notice of termination of the TIGIT Program (as defined in the Collaboration Agreement) to Junshi Biosciences pursuant to the Collaboration Agreement. Under the Collaboration Agreement, we retain the right to collaborate in the development of LOQTORZI and the other licensed compounds and will pay for a portion of these co-development activities up to a maximum of $25.0 million per licensed compound per year. Additionally, we are responsible for certain associated regulatory and technology transfer costs for LOQTORZI and other licensed compounds and will reimburse Junshi Biosciences for such costs.

We accounted for the licensing transaction as an asset acquisition under the relevant accounting rules. The $35.0 million payment for the option to license CHS-006 was reflected in our first quarter of 2022 financial statements. As of December 31, 2023, we have accrued a $25.0 million milestone payment to Junshi Biosciences, of which we expect to pay $12.5 million in the second quarter of 2024 and $12.5 million in the first quarter of 2025, as well as an immaterial royalty obligation. The additional milestone payments and royalties are contingent upon future events and, therefore, will be recorded if and when it becomes probable that a milestone will be achieved, or when an option fee or royalties are incurred.

Financial Operations Overview

Revenue

Our first FDA-approved product, UDENYCA, was approved in November 2018, and we initiated United States sales of UDENYCA on January 3, 2019. In December 2021, the FDA-approved YUSIMRY, which we launched in the United States in July 2023. On August 2, 2022, the FDA approved CIMERLI, which we launched in the United States in October 2022. On October 27, 2023, we announced that LOQTORZI was approved by the FDA, and we subsequently launched LOQTORZI in the United States in January 2024. Total net revenues were $257.2 million and $211.0 million in 2023 and 2022, respectively. On January 19, 2024, we entered into the Purchase Agreement by and between us and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the Sale Transaction of our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

Cost of Goods Sold

Cost of goods sold consists primarily of third-party manufacturing, distribution, certain overhead costs, and royalties on certain products. In the fourth quarter of 2023, we recorded a $47.0 million charge for the write-down of slow moving YUSIMRY inventory and the related partial recognition of certain firm purchase commitments in cost of goods sold in the consolidated statements of operations. On May 2, 2019, we settled a trade secret action brought by Amgen. As a result, cost of goods sold reflects a mid-single digit royalty on UDENYCA net product revenue, which began July 1, 2019 and continues for five years from then. Additionally, we share a percentage of gross profits on sales of Bioeq Licensed Products in the United States with Bioeq in the low- to mid-fifty percent range, and pursuant to the Genentech Agreement we incur a royalty that is a low single-digit percentage of net sales of CIMERLI that was incurred through the end of 2023 but that is no longer owed.

Research and Development Expense

Research and development expense represents costs incurred to conduct research, such as the discovery and development of our product candidates. We recognize all research and development costs as they are incurred. We currently track research and development costs incurred on a product candidate basis only for external research and development expenses. Our external research and development expense consists primarily of:

- expense incurred under agreements with collaborators, consultants, third-party CROs, and investigative sites where a substantial portion of our preclinical studies and all of our clinical trials are conducted;

- costs of acquiring originator comparator materials and manufacturing preclinical study and clinical trial supplies and other materials from CMOs, and related costs associated with release and stability testing;

- costs associated with manufacturing process development activities, analytical activities and pre-launch inventory manufactured prior to regulatory approval being obtained or deemed to be probable; and

- upfront and certain milestone payments related to licensing and collaboration agreements.

Internal costs are associated with activities performed by our research and development organization and generally benefit multiple programs. These costs are not separately allocated by product candidate. Unallocated, internal research and development costs consist primarily of:

- personnel-related expense, which include salaries, benefits and stock-based compensation; and

- facilities and other allocated expense, which include direct and allocated expense for rent and maintenance of facilities, depreciation and amortization of leasehold improvements and equipment, laboratory and other supplies.

The largest component of our total operating expense has historically been our investment in research and development activities, including the licensing and collaboration costs, clinical development and manufacturing process development of our product candidates.

The process of conducting the necessary clinical research to obtain regulatory approval is costly and time consuming. Furthermore, in the past, we have entered into collaborations with third parties to participate in the development and commercialization of our product candidates, and we may enter into additional collaborations in the future. In situations in which third parties have substantial influence over the development activities for product candidates, the estimated completion dates are not fully under our control. For example, our partners in licensed territories may exert considerable influence on the regulatory filing process globally. Therefore, we cannot forecast with any degree of certainty the duration and completion costs of these or other current or future clinical trials of our product candidates. We may never succeed in achieving regulatory approval for any of our pipeline product candidates. In addition, we may enter into other collaboration arrangements for our other product candidates, which could affect our development plans or capital requirements.

The following table summarizes our research and development expense incurred during the respective periods:

(in thousands)	Development Status as of December 31, 2023	Year Ended December 31, 2023	2022
External costs incurred by product candidate:			
UDENYCA	Approved [1]	$ 4,476	$ 17,358
YUSIMRY	Approved [2]	7,273	26,309
LOQTORZI	Approved [3]	17,192	36,871
CHS-006 (option terminated)	Clinical Trials [4]	5,833	39,650
CHS-1000	Development	7,105	2,671
Casdozokitug	Development [5]	4,129	—
CHS-114	Development [5]	1,429	—
Other discontinued projects	Discontinued [6]	23	1,007
Other research and development expenses [7]		2,826	1,838
Internal costs		59,150	73,654
Total research and development expenses		$ 109,436	$ 199,358

(1) Expenses related primarily to development efforts to obtain PAS for additional presentations of UDENYCA.

(2) YUSIMRY, formerly CHS-1420, was approved by the FDA in December 2021. Expenses in 2023 and 2022 primarily related to manufacturing efforts for new formulations and clinical studies.

(3) In October 2023, LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and for LOQTORZI as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy.

(4) In March 2022, we paid $35.0 million to exercise our option to license CHS-006, a TIGIT-targeted antibody, in the United States and Canada from Junshi Biosciences. Expenses in 2023 and 2022 included our reimbursement for certain costs related to an ongoing CHS-006 clinical trial being conducted by Junshi Biosciences. On January 10, 2024, we announced that we delivered a notice of termination of the TIGIT Program (as defined in the Collaboration Agreement) to Junshi Biosciences pursuant to the Collaboration Agreement.

(5) We acquired casdozokitug and CHS-114 in connection with the Surface Acquisition in September 2023.

(6) The $1.0 million of expense in 2022 relates to CHS-3318 and CHS-305 which were both discontinued during 2022.

(7) Amount consists of expenses for other pipeline candidates and CIMERLI, which was approved by the FDA in August 2022.

Selling, General and Administrative Expense

Selling, general and administrative expense consists primarily of personnel costs, allocated facilities costs and other expense for outside professional services, including legal, insurance, human resources, outside marketing, advertising, audit and accounting services, acquisition-related costs, as well as costs associated with establishing commercial capabilities in support of the commercialization of UDENYCA, CIMERLI, YUSIMRY and LOQTORZI. Personnel costs consist of salaries, benefits and stock-based compensation.

Interest Expense

Interest expense consists primarily of interest incurred on our outstanding indebtedness and non-cash interest related to the amortization of debt discount and debt issuance costs associated with our outstanding debt agreements.

Loss on Debt Extinguishment

Loss on debt extinguishment consists of losses incurred related to the early repayment of debt obligations.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest earned on our cash and cash equivalents, non-cash accretion of discount on our investments in marketable securities, foreign exchange gains (losses) resulting from currency fluctuations, and gains (losses) from disposal of long-lived assets.

Results of Operations

Comparison of Years Ended December 31, 2023 and 2022

Revenue

	Year Ended December 31,		
(in thousands)	**2023**	**2022**	**Change**
Net revenue	$ 257,244	$ 211,042	$ 46,202

The increase in net revenue was primarily due to our three new products: CIMERLI launched in October 2022 and contributed $118.4 million more in 2023 as compared to 2022, YUSIMRY launched in July 2023 contributing $3.6 million, and LOQTORZI sales to distributors began in December ahead of the January 2024 launch, contributing $0.6 million of net revenue. This was partially offset by a $76.8 million decline in UDENYCA net revenue as compared to 2022, primarily related to the decline in the average net selling price per unit. Our net revenue and market penetration may continue to be adversely impacted by pricing trends and competitive dynamics in the overall pegfilgrastim market. In addition, the COVID-19 pandemic has negatively impacted the pre-filled syringe pegfilgrastim market due to preferences to administer medication at home.

We expect our net revenue to decrease during 2024, as a result of the CIMERLI Sale Transaction that closed on March 1, 2024. However, we believe this will be partially offset by the continued market share growth of UDENYCA, considering its multiple presentations, as well as the launch of LOQTORZI in the U.S. as announced on January 2, 2024, and a full year of sales of YUSIMRY.

Cost of Goods Sold

(in thousands)	Year Ended December 31, 2023	2022	Change
Cost of goods sold	$ 158,992	$ 70,083	$ 88,909
Gross margin	38 %	67 %	

The increase in cost of goods sold in 2023 compared to 2022 was due to a $47.0 million charge in the fourth quarter of 2023 for the write-down of slow moving YUSIMRY inventory and the related partial recognition of certain firm purchase commitments, a $47.5 million increase in royalty costs and $25.0 million increase in product costs, both driven primarily by CIMERLI sales, $3.0 million in contract modification fees with one of our manufacturers for reducing the number of UDENYCA batches to be produced, and $2.3 million in write-downs, net of recoveries for inventory that was damaged during processing. These unfavorable factors were offset by the $26.0 million write-down in the third quarter of 2022 of inventory at risk of expiration and due to the sale in the second half of 2023 of certain of those UDENYCA units having no carrying value following the write-down and a total original cost of $9.9 million.

We expect our gross margin to increase during 2024 primarily because 2023 results included a $47.0 million charge for the write-down of slow moving YUSIMRY inventory and the related partial recognition of certain firm purchase commitments, as well as 2023 had a full year of sales of CIMERLI, which was divested March 1, 2024 and had a gross profit share in the low- to mid-fifty percent range reflected in COGS. Sales generated from our other products after the closing of the Sale Transaction will have a higher average gross margin. In addition, the mid-single digit royalty on UDENYCA net product revenue expires on June 30, 2024.

Research and Development Expense

(in thousands)	Year Ended December 31, 2023	2022	Change
Research and development	$ 109,436	$ 199,358	$ (89,922)

The decrease in research and development expense was primarily due to:

- the first quarter of 2022 including an upfront payment of $35.0 million to exercise our option to license CHS-006, a TIGIT-targeted antibody, in the United States and Canada;
- a decrease of $19.0 million in YUSIMRY costs primarily due to certain manufacturing costs for YUSIMRY being capitalized since mid-2022, as well as completion of key studies in the second half of 2022;
- a decrease of $18.5 million in co-development costs for LOQTORZI and CHS-006 resulting from reducing the scope of the development plan for LOQTORZI in the United States beginning in 2023;
- a decrease of $12.9 million in costs to develop additional presentations of UDENYCA;
- a decrease of $10.0 million in personnel and stock-based compensation expense primarily due to fewer employees; and
- a decrease of $4.5 million in facilities, supplies and materials and other infrastructure related expenses to support our research and development programs.

The decrease was partially offset by increases of $4.4 million for development of CHS-1000 and $4.1 million for development of casdozokitug.

We expect our research and development expense in 2024 to be lower than in 2023, as CHS-006 co-development with Junshi Biosciences has been terminated and we continue our focus on cost containment across multiple functions.

Selling, General and Administrative Expense

(in thousands)	Year Ended December 31, 2023	2022	Change
Selling, general and administrative	$ 192,015	$ 198,481	$ (6,466)

The decrease in selling, general and administrative expense was primarily due to lower average headcount, including reductions of $9.9 million in employee and consultant costs and $3.1 million in stock-based compensation. These decreases were partially offset by increases of $5.9 million in professional services driven by the Surface Acquisition and third-party processing fees.

Excluding the potential impact of any acquisitions or business development transactions that have not been consummated, we expect our selling, general and administrative expense for the full year 2024 to be lower than the full year 2023 primarily as a result of the CIMERLI Sale Transaction, reduced headcount and decreased commercial costs.

Interest Expense

(in thousands)	Year Ended December 31, 2023	2022	Change
Interest expense	$ 40,542	$ 32,474	$ 8,068

The increase in interest expense in 2023 was primarily due to a higher average outstanding debt balance and a higher average interest rate for the 2027 Term Loans. This was partially offset by $3.9 million of interest expense in 2022 related to the 2027 Term Loans discount and debt issuance costs that were allocated to unfunded tranches and subsequently amortized over the respective commitment periods for tranches, including $2.3 million allocated to Tranche B that was fully amortized in the first quarter of 2022.

Our 2027 Term Loans have a variable interest rate component that resets at the beginning of every quarter, and the total interest rate ranged from 9.25% to 12.00% during 2022 and from 13.03% in the first quarter of 2023 to 13.91% in the fourth quarter of 2023. The interest rate on the 2027 Term Loans decreased to 13.84% for the first quarter of 2024.

Due to the expected partial prepayment of $175.0 million of principal under the 2027 Term Loans as a result of the CIMERLI Sale Transaction, we expect interest expense to decrease in 2024 compared to 2023.

Loss on Debt Extinguishment

(in thousands)	Year Ended December 31, 2023	2022	Change
Loss on debt extinguishment	$ —	$ 6,222	$ (6,222)

The $6.2 million loss on debt extinguishment recorded in 2022 resulted from voluntarily prepaying all amounts outstanding under the loan agreement between us and affiliates of Healthcare Royalty Partners dated as of January 7, 2019 (the “2025 Term Loan”) in January 2022.

Other Income (Expense), Net

(in thousands)	Year Ended December 31, 2023	2022	Change
Other income (expense), net	$ 5,469	$ 3,822	$ 1,647

In 2023, other income (expense), net changed favorably compared to 2022 primarily due to higher income from investments in marketable securities.

Income Tax Provision (Benefit)

Income tax provision (benefit) consists of the change in deferred tax balances resulting from the recognition of a deferred tax liability related to the Surface Acquisition. We recognized $0.4 million of income tax benefit for the year ended December 31, 2023. No income tax provision or benefit was recognized for the year ended December 31, 2022.

Liquidity and Capital Resources

Certain relevant measures of our liquidity and capital resources are summarized as follows:

(in thousands)	December 31, 2023	December 31, 2022
Financial assets		
Total Cash, cash equivalents and marketable securities	$ 117,748	$ 191,681
Debt obligations:		
2027 Term Loans	$ 246,481	$ 245,483
2026 Convertible Notes	226,888	225,575
Total debt obligations	$ 473,369	$ 471,058

Although we were profitable in 2020 and 2019, due to our research and development expenditures and decline in revenue beginning in 2021, we have generated significant operating losses in all other years since our inception, including in 2023 and 2022. We have funded our operations primarily through sales of our common stock, issuance and incurrence of convertible and term debt and sales of our products.

On January 19, 2024, we entered into the Purchase Agreement by and between us and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, we completed the Sale Transaction for our CIMERLI ophthalmology franchise through the sale of our subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

On February 5, 2024, we entered into a Consent, Partial Release and Third Amendment to the 2027 Term Loans (the "Consent and Amendment"), that among other things: (1) provided consent to consummation of the transactions contemplated by the Purchase Agreement, and released certain of our subsidiary from our obligation and certain assets subject to the transactions contemplated thereby, (2) required us to make a partial prepayment of $175.0 million of the principal of the 2027 Term Loans outstanding upon consummation of the transactions contemplated by the Purchase Agreement, subject to certain conditions and (3) adjusted the minimum net sales covenant level under the 2027 Term Loans. Upon the closing of the Sale Transaction we became liable to repay $175.0 million of the existing principal balance of $250.0 million of the loans outstanding under the Loan Agreement on April 1, 2024 and we plan to repay $175.0 million and the prepayment premium and makewhole amount of $6.8 million to the Lenders on or before April 1, 2024 pursuant to the Consent and Amendment.

On September 8, 2023, we obtained $28.8 million of cash, cash equivalents and marketable securities as part of the Surface Acquisition.

On May 16, 2023, we entered into an underwriting agreement (the "Underwriting Agreement") with J.P. Morgan Securities LLC and Citigroup Global Markets Inc., as representatives of the several underwriters named therein (collectively, the "Underwriters"), pursuant to which we issued and sold an aggregate of 11,764,706 shares (the "Firm Shares") of our common stock, par value $0.0001 per share, to the Underwriters (the "Public Offering"). Additionally, under the terms of the Underwriting Agreement, we granted the Underwriters an option, for 30 days from the date of the Underwriting Agreement, to purchase up to an additional 1,764,705 shares of common stock (the "Option Shares," and together with the Firm Shares, the "Shares"), which the Underwriters elected to exercise in full. The price to the public in the Public Offering was $4.25 per share. The Underwriters agreed to purchase the Shares from us pursuant to the Underwriting Agreement at a price of $3.995 per share. On May 18, 2023, we completed the sale and issuance of an aggregate of 13,529,411 Shares, including the exercise in full of the Underwriters' option to purchase the Option Shares. We received net proceeds of approximately $53.6 million, after deducting the Underwriters' discounts and commissions and offering expenses payable by us.

On November 8, 2022, we entered into the Sales Agreement related to the ATM Offering pursuant to which we may issue and sell from time to time up to $150.0 million of our common stock. On May 15, 2023, pursuant to an Amendment No. 1 to Sales Agreement and in connection with the Public Offering, we reduced the number of shares that could be issued and sold pursuant to its ATM Offering with TD Cowen by $86.25 million, lowering the aggregate offering price under the Agreement from $150.0 million to $63.75 million. On September 11, 2023, pursuant to an Amendment No. 2 to Sales Agreement, we increased the number of shares that could be issued and sold pursuant to its ATM Offering with TD Cowen by $28.75 million, increasing the aggregate offering price under the Sales Agreement from $63.75 million to $92.5 million. During the year ended December 31, 2023, 3,559,761 shares were sold pursuant to the ATM Offering.

For the ATM Offering program to date as of December 31, 2023, we sold 4,476,645 shares of common stock at a weighted-average price per share of $5.81 for gross proceeds of $26.0 million and received net proceeds of $25.4 million, net of $0.6 million of commissions and fees. As of December 31, 2023, we had approximately $66.5 million of our common stock remaining available for sales under the ATM Offering. The ability to elect to sell shares of our common stock in the ATM Offering from time to time adds to our financial flexibility.

As of December 31, 2023, we had an accumulated deficit of $1.6 billion and cash, cash equivalents, and marketable securities of $117.7 million. We believe that our available cash, cash equivalents, marketable securities, cash collected from product sales and ATM Offering and Public Offering proceeds received to date will be sufficient to fund our planned expenditures and meet our obligations for at least the twelve months following our financial statement issuance date.

We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Further, our operating plan may change, and we may need additional funds to meet operational needs and capital requirements for product development and commercialization sooner than planned. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates and the extent to which we may enter into additional agreements with third parties to participate in their development and commercialization, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated research and development activities, and on-going and future licensing and collaboration obligations. We may need to raise additional funds in the future; however, there can be no assurance that such efforts will be successful or that, if they are successful, the terms and conditions of such financing will be favorable. Our future funding requirements will depend on many factors, including the following:

- cash proceeds from product sales;
- the costs of manufacturing, distributing and marketing our products;
- the cost of manufacturing clinical supplies and any products that we may develop;
- the terms and timing of any other collaborative, licensing and other arrangements that we have established or may establish;
- the timing, receipt and amount of sales, profit sharing or royalties, if any, from any product candidates that are approved in the future;
- the number and characteristics of product candidates that we pursue;
- the scope, rate of progress, results and cost of our clinical trials, preclinical testing and other related activities;
- the costs of acquiring originator comparator materials and manufacturing preclinical study and clinical trial supplies and other materials from CMOs and related costs associated with release and stability testing;
- the cost, timing and outcomes of regulatory approvals;
- the cost of preparing, filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the extent to which we acquire or invest in businesses, products or technologies;
- the impact of general economic conditions on our business, including but not limited to increased interest rates and high inflation; and
- the costs of the impact from the COVID-19 pandemic and future outbreaks.

For further discussion of risks related to our financial condition and capital requirements, please see “Risk Factors—Risks Related to Our Financial Condition and Capital Requirements.”

Financing arrangements

2027 Term Loans

In January 2022, we entered into the 2027 Term Loans which provide for a senior secured term loan facility of up to $300.0 million to be funded in four committed tranches: (i) a Tranche A Loan in an aggregate principal amount of $100.0 million that was funded on January 5, 2022; (ii) a Tranche B Loan in an aggregate principal amount of $100.0 million that was funded on March 31, 2022, in connection with the full repayment of our $100.0 million aggregate principal amount 8.2% Convertible Senior Notes due in March 2022 (“2022 Convertible Notes”); (iii) a Tranche C Loan in an aggregate principal amount of $50.0 million that was not funded; and (iv) a Tranche D Loan

in an aggregate principal amount of $50.0 million that was funded on September 14, 2022. We have the right to request an uncommitted additional facility amount of up to $100.0 million that is subject to new terms and conditions.

The 2027 Term Loans mature on either (i) January 5, 2027; or (ii) October 15, 2025, if the outstanding aggregate principal amount of our 2026 Convertible Notes is greater than $50.0 million on October 1, 2025. The 2027 Term Loans accrued interest from inception through March 31, 2023 at 8.25% plus three-month LIBOR per annum with a LIBOR floor of 1.0%; and, starting April 1, 2023, accrue interest at 8.25% plus the Adjusted Term SOFR, with a floor on Adjusted Term SOFR of 1.0%. Interest is payable quarterly in arrears. Repayment of outstanding principal of the 2027 Term Loans will be made in five equal quarterly payments of principal commencing March 31, 2026.

In January 2022, we paid to the Lenders of the 2027 Term Loans $6.0 million for a funding fee equal to 2.00% of the Lenders' total committed amount to fund all four tranches.

Pursuant to the Loan agreement, and subject to certain restrictions, proceeds of the 2027 Term Loans were and will be used to fund our general corporate and working capital requirements except for the following: in January 2022, proceeds of the Tranche A Loan were used to voluntarily repay in full all amounts outstanding under the 2025 Term Loan, as well as all associated costs and expenses; and proceeds of the Tranche B Loan were drawn in connection with the full repayment of our 2022 Convertible Notes due in March 2022.

As of December 31, 2023, we were in full compliance with these covenants, and there were no events of default under the 2027 Term Loans.

On February 5, 2024, we entered into the Consent and Amendment, that among other things: (1) provided consent to consummation of the transactions contemplated by the Purchase Agreement, and released certain of our subsidiary from our obligation and certain assets subject to the transactions contemplated thereby, (2) required us to make a partial prepayment of $175.0 million of the principal of the 2027 Term Loans outstanding upon consummation of the transactions contemplated by the Purchase Agreement, subject to certain conditions and (3) adjusted the minimum net sales covenant level under the 2027 Term Loans. Upon the closing of the Sale Transaction we became liable to repay $175.0 million of the existing principal balance of $250.0 million of the loans outstanding under the Loan Agreement on April 1, 2024 and we plan to repay $175.0 million and the prepayment premium and makewhole amount of $6.8 million to the Lenders on or before April 1, 2024 pursuant to the Consent and Amendment.

2026 Convertible Notes

As of December 31, 2023, the carrying amount of our $230.0 million aggregate principal amount convertible senior subordinated notes due 2026 was $226.9 million. The 2026 Convertible Notes accrue interest at a rate of 1.5% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, and will mature on April 15, 2026, unless earlier repurchased or converted at the option of holders. Since inception, the conversion price has been 51.9224 shares of common stock per $1,000 principal amount of the 2026 Convertible Notes, which represents a conversion price of approximately $19.26 per share of common stock. The initial conversion price represents a premium of approximately 30.0% over the last reported sale of $14.82 per share of our common stock on the Nasdaq Global Market on April 14, 2020, the date the 2026 Convertible Notes were issued. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. The 2026 Convertible Notes are not redeemable at our election before maturity. If the 2026 Convertible Notes were converted on December 31, 2023, the holders of the 2026 Convertible Notes would have received common shares with an aggregate value of $39.8 million based on our closing stock price of $3.33 as of December 29, 2023.

In connection with the pricing of the 2026 Convertible Notes, we entered into privately negotiated capped call transactions with certain of the initial purchasers of the 2026 Convertible Notes and other financial institutions. Since inception, the cap price has been $25.93 per share, which represents a premium of approximately 75.0% over the last reported sale price of our common stock of $14.82 per share on April 14, 2020, and is subject to certain adjustments under the terms of the capped call transactions.

Contingent Milestones

We have obligations to make future payments to third parties that become due and payable upon the achievement of certain development, regulatory and commercial milestones (such as clinical trial achievements, the filing of a BLA, approval by the FDA or product launch). These milestone payments and other similar fees are contingent upon future events and therefore are only recorded when it becomes probable that a milestone will be achieved, or other applicable criteria will be met. With the exception of $25.0 million for a milestone payment to Junshi Biosciences, of which we expect to pay $12.5 million in the second quarter of 2024 and $12.5 million in the first quarter of 2025, as of December 31, 2023, no other milestones were accrued because their probability of achievement had not reached the threshold for recognition.

The following table presents a summary of our active partnerships and collaborations that have contingent regulatory and sales milestones as of December 31, 2023:

Counterparty	Description	Potential Aggregate Milestone Amount
Junshi Biosciences	LOQTORZI	$355.0 million [1]
	CHS-006 anti-TIGIT antibody	$255.0 million [2]
Adimab	Casdozokitug	$13.0 million
Vaccinex	CHS-114	$15.0 million

(1) $290.0 million relates to sales milestones and $65.0 million relates to regulatory milestones, excluding the $25.0 million milestone payment to Junshi Biosciences, of which we expect to pay $12.5 million in the second quarter of 2024 and $12.5 million in the first quarter of 2025.

(2) On January 10, 2024, we announced we delivered a notice of termination of the TIGIT Program so the Potential Aggregate Milestone Amount for CHS-006 anti-TIGIT antibody became $0 as of that date.

Contingent Value Rights

We have recorded a contingent consideration liability for the fair value of the potential payments under the CVR Agreement in connection with the Surface Acquisition. These potential payments during the ten-year period following September 8, 2023 are only due if we first receive milestone- or royalty-based payments under certain license agreements or upfront payments pursuant to ex-U.S. licensing agreements. Payments to CVR holders can be in the form of cash, stock or a combination of cash and stock. As of December 31, 2023, no payments are due to CVR holders. For further details, see “Note 6. Surface Acquisition” in the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K.

Other Commitments

Non-cancelable purchase commitments

We enter into contracts in the normal course of business with CROs for preclinical research studies and clinical trials, research supplies and other services and products for operating purposes. We have also entered into agreements with several CMOs for the manufacture and clinical drug supply of our commercial and product candidates. Our non-cancelable purchase commitments as of December 31, 2023 were $73.1 million, as outlined in “Note 9. Commitments and Contingencies” in the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K.

Leases

We lease office and laboratory facilities through arrangements treated as operating leases, and we lease vehicles through finance leases. Refer to “Note 10. Leases” in the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K for additional information to our leases. Our total non-cancelable contractual obligations arising from these agreements as of December 31, 2023 was $9.1 million, with $2.9 million of these obligations due within twelve months.

Summary Statement of Cash Flows

The following table summarizes our cash flows for the periods presented:

	Year Ended December 31,	
(in thousands)	2023	2022
Net cash used in operating activities	$ (174,884)	$ (241,124)
Net cash provided by (used in) investing activities	144,640	(166,850)
Net cash provided by financing activities	69,600	54,326
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 39,356	$ (353,648)

Net cash used in operating activities

Cash used in operating activities of $174.9 million for the year ended December 31, 2023 was primarily due to the net loss of $237.9 million adjusted for non-cash items including net inventory write-downs of $52.6 million, stock-based compensation expense of $43.1 million and other non-cash adjustments of $4.1 million, partially offset by the changes in our operating assets and liabilities of $36.8 million.

Cash used in operating activities of $241.1 million in 2022 was primarily due to the net loss of $291.8 million adjusted for the classification of the cash option payment to Junshi Biosciences of $35.0 million to investing activities, non-cash items including stock-based compensation expense of $50.7 million, net inventory write-downs of $26.0 million and other non-cash adjustments of $18.2 million, partially offset by the changes in our operating assets and liabilities of $79.3 million.

Net cash provided by (used in) investing activities

Cash provided by investing activities of $144.6 million in 2023 was primarily due to proceeds from maturities of investments in marketable securities of $144.4 million, proceeds from sale of investments in marketable securities of $13.3 million, and $7.0 million of cash acquired from the Surface Acquisition, partially offset by purchases of investments in marketable securities of $19.5 million and a $1.1 million upfront milestone payment due to the first commercial sale of YUSIMRY.

Cash used in investing activities of $166.9 million in 2022 was primarily due to purchases of investments in marketable securities of $127.4 million, the option fee payment of $35.0 million to license CHS-006 from Junshi Biosciences, a $2.4 million milestone payment to Bioeq related to the launch of CIMERLI, and purchases of property and equipment of $2.0 million.

Net cash provided by financing activities

Cash provided by financing activities of $69.6 million in 2023 was primarily due to proceeds of $53.6 million from the Public Offering, net of issuance costs, $18.1 million proceeds from the ATM Offering, net of issuance costs, and $1.8 million proceeds from purchase under the ESPP. These were partially offset by $3.6 million in tax payments related to net share settlement.

Cash provided by financing activities of $54.3 million in 2022 was primarily due to proceeds of $240.7 million under the 2027 Term Loans, net of debt discount and issuance costs, proceeds of $6.4 million from the ATM Offering, net of issuance costs, and $2.3 million proceeds from purchase under the ESPP. These were partially offset by fully repaying $109.0 million on the 2022 Convertible Notes and $81.8 million on the 2025 Term Loan (excluding interest which is presented as an operating activity), and $3.7 million in tax payments related to net share settlement of RSUs.

Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with United States generally accepted accounting principles ("U.S. GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated and expense incurred during the reporting periods. "Note 1. Organization and Significant Accounting Policies" in the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K describes the significant accounting policies and methods used in the preparation of our consolidated financial statements. Our estimates are based on our historical experience and on various other factors that we believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

Business Combination Accounting and Valuation of Acquired Assets

We completed the Surface Acquisition on September 8, 2023, which was accounted for as a business combination. We account for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. Judgment was required in assessing whether the acquired processes or activities, along with their inputs, met the criteria to constitute a business, as defined by U.S. GAAP.

The acquisition method of accounting requires the recognition of assets acquired and liabilities assumed at their acquisition date fair values. The excess of the fair value of consideration transferred over the fair value of the net assets acquired is recorded as goodwill, or when there is an excess of the fair values of these identifiable assets and liabilities over the fair value of purchase consideration,

a bargain purchase gain is recorded in the consolidated statements of operations. The estimations of fair values are based on non-observable inputs that are included in valuation models. An income approach, which generally relies upon projected cash flow models, is used in estimating the fair value of the acquired intangible assets. These cash flow projections are based on management's estimates of economic and market conditions including the estimated future cash flows from revenues of acquired assets, the timing and projection of costs and expenses and the related profit margins, tax rates, and discount rate.

During the measurement period, which occurs before finalization of the purchase price allocation, changes in assumptions and estimates that result in adjustments to the fair values of assets acquired and liabilities assumed, if based on facts and circumstances existing at the acquisition date, are recorded on a retroactive basis as of the acquisition date, with the corresponding offset to goodwill or bargain purchase gain.

Product Sales Discounts and Allowances

We recognize revenue when a customer obtains control of the product, which generally occurs upon delivery to and acceptance by the customer. The amount recognized in net revenue reflects the consideration which we expect to receive in exchange for product sold, which includes adjustments to gross sales amounts for estimated chargebacks, rebates, discounts for prompt payment, co-payment assistance, product returns and other allowances. The actual amount of consideration ultimately received may differ from our estimates. If actual results in the future vary from our estimates, the estimates will be adjusted, which will affect net product revenue in the period that such variances become known.

The most significant and judgmental gross to net revenue adjustments are for chargebacks and rebates we provide to customers, hospitals, clinics, and payers under commercial and government programs. Amounts payable are provided for under various programs and vary by payer and individual payer plans. In developing our estimates of chargebacks and rebates, we use our historical claims experience and also consider payer mix, statutory discount rates and expected utilization, contractual terms, market events and trends, customer and commercially available payer data, as well as data collected from the healthcare providers, channel inventory data obtained from our customers and other relevant information.

In 2023, 2022 and 2021, total sales deductions to gross product sales were 77%, 73% and 67%, respectively. Adjustments to provisions for rebates and chargebacks related to sales made in prior periods were less than 3% of the actual payments and customer credits issued in each of the years 2023 and 2022. A change of 10% in our total provisions for product sales discounts and allowances as of December 31, 2023, would have resulted in a change of our pre-tax earnings in 2023 by approximately $24.5 million. A summary of the activities and ending reserve balances for each significant category of discounts and allowances, can be found in “Note 2. Revenue” in the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

Inventory Valuation

Our inventory is stated at the lower of cost or estimated net realizable value with cost determined under the first-in first-out method. The determination of excess or obsolete inventory requires judgment including consideration of many factors, such as estimates of future product demand, current and future market conditions, product expiration information and potential product obsolescence, among others.

Although we believe that the assumptions we use in estimating potential inventory write-downs are reasonable, if actual market conditions are less favorable than projected by us, write-downs of inventory, charges related to firm purchase commitments, or both may be required which would be recorded as cost of goods sold in our consolidated statements of operations. Adverse developments affecting our assumptions of the level and timing of demand for our products include those that are outside of our control such as the actions taken by competitors and customers, the direct or indirect effects of the COVID-19 pandemic, and other factors.

In 2023, 2022 and 2021, cost of goods sold included inventory write-downs, net of $52.6 million, $26.0 million and $5.1 million, respectively. As of December 31, 2023, a 10% reduction in the carrying value of inventory we expect to sell in 2024 would be approximately $6.3 million.

Recent Accounting Pronouncements

For a description of the impact of recent accounting pronouncements, see “Note 1. Organization and Significant Accounting Policies” in the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk related to changes in interest rates. As of December 31, 2023, we had cash and cash equivalents and marketable securities of $117.7 million, primarily invested in U.S. treasuries and government agency securities, commercial paper, corporate bonds and money market funds. Our primary exposure to market risk is interest rate sensitivity. Our marketable securities are subject to interest rate risk and could fall in value if market interest rates increase. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, we believe that our exposure to interest rate risk on these investments is not significant and a 1% movement in market interest rates would not have a material impact to our financial results. We do not enter into investments for trading or speculative purposes.

Our financial instruments that are exposed to concentration of credit risk consist primarily of cash, cash equivalents, investments and accounts receivables. We attempt to minimize the risks related to cash, cash equivalents and investments by investing in a broad and diverse range of financial instruments. The investment portfolio is maintained in accordance with our investment policy, which defines allowable investments, specifies credit quality standards and limits the credit exposure of any single issuer. There were no material losses from credit risks on such accounts during any of the periods presented. We are not exposed to any significant concentrations of credit risk from these financial instruments.

We are also subject to credit risk from trade receivables related to product sales, and we monitor the credit worthiness of customers that are granted credit in the normal course of business. In general, there is no requirement for collateral from customers. We have not experienced significant losses with respect to the collection of trade receivables.

We are exposed to interest rate risk with respect to variable rate debt. As of December 31, 2023, we had $250.0 million principal outstanding on our 2027 Term Loans that starting April 1, 2023, accrue interest at 8.25% plus the Adjusted Term SOFR, with a floor on Adjusted Term SOFR of 1.0%. We currently do not hedge our variable interest rate debt. The interest rate for our variable rate debt during the quarter ended December 31, 2023 was 13.91%, and the interest rate during the first quarter of 2024 will be 13.84%. A hypothetical 100 basis point increase in the interest rate on our variable rate debt could result in up to a $2.5 million increase in the annual interest expense as of December 31, 2023.

In April 2020, we issued $230.0 million aggregate principal amount of 2026 Convertible Notes with a fixed interest rate of 1.5%. Since the notes have a fixed annual interest rate, we have no financial or economic interest exposure associated with changes in interest rates. However, the fair value of fixed rate debt fluctuates when interest rates change. Additionally, the fair value of the 2026 Convertible Notes can be impacted when the market price of our common stock fluctuates. We carry the 2026 Convertible Notes on our balance sheet at face value less the unamortized discount and issuance costs, and we present the fair value for required disclosure purposes only.

Substantially all of our sales are denominated in U.S. dollars. We had exposure to the exchange rate between the U.S. Dollar and the Euro because we made purchases of CIMERLI inventory from and paid royalties to our partner Bioeq that were denominated in Euros, and we were therefore subject to fluctuations due to changes in foreign currency exchange rates. Accordingly, fluctuations in the exchange rate between the U.S. Dollar and the Euro may have impacted our consolidated statements of operations. In the first quarter of 2023, we started utilizing euro currency contracts to manage euro currency risk in purchasing inventory and future settlement of euro denominated assets and liabilities. The volume of our foreign currency contract activity is limited by the amount of transaction exposure in each foreign currency and our election whether to hedge the transactions. There are no derivative instruments entered into for speculative or trading purposes. Since our derivatives all matured and settled by December 31, 2023, there were no derivative assets or derivative liabilities as of December 31, 2023.

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

COHERUS BIOSCIENCES, INC.

ANNUAL REPORT ON FORM 10-K

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Coherus BioSciences, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Coherus BioSciences, Inc., (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2023, 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 financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 15, 2024 expressed an unqualified opinion thereon.

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. 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Estimate of Reserves for Chargebacks and Rebates

Description of the Matter

As described in Note 1 to the consolidated financial statements, the Company recognizes revenues from product sales at the net sales price, which includes estimates of reserves for chargebacks and rebates it provides to hospitals, clinics, and payers under commercial and government programs. These reserves are recorded in the period when sales occur and are based on the amounts to be claimed on the related sales which may not be known at the point of sale. Chargebacks and rebates are estimated based on expected channel and payer mix, and contracted discount rates, adjusted for current period assumptions. Estimated chargebacks are recorded as a reduction of trade receivables on the consolidated balance sheet and totaled $74.0 million at December 31, 2023. Estimated rebates are presented within accrued rebates, fees and reserves and other liabilities, non-current on the consolidated balance sheet and totaled $121.1 million at December 31, 2023.

Auditing the estimates for chargebacks and rebates was complex due to the judgmental nature of the assumptions used. In particular for product that remains in the distribution channel at December 31, 2023, management is required to estimate the portion of product that is expected to be subject to a chargeback and rebate as well as the applicable discount rate.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Company's estimates of chargebacks and rebates, which are accounted for as reductions to revenue. This included controls over management’s review of significant assumptions used in the estimates such as expected channel and payer mix and contractual discount rate.

To test the Company's estimated reserves for chargebacks and rebates, our audit procedures included, among others, testing the accuracy and completeness of the underlying data used in the Company’s analyses and evaluating the significant assumptions stated above. Specifically, for estimated chargebacks and rebates, we obtained third-party channel inventory reports and reviewed the remaining inventory in the distribution channel, tested historical channel and payer mix data, and compared applicable contractual chargeback or rebate percentages applied against executed chargeback and rebate agreements. We also assessed the completeness and accuracy of current and historical channel and payer mix and discount rate data used in management’s estimates and performed sensitivity analyses to determine the effect of changes in assumptions, where appropriate.

Excess and Obsolete Inventory Reserve

Description of the Matter

As of December 31, 2023, the Company had $130.1 million of inventory which included $13.0 million of raw materials, $82.6 million of work in progress and $34.5 million of finished goods. As disclosed in Note 1 to the Company’s consolidated financial statements, inventories are stated at the lower of cost or estimated net realizable value. The Company assesses its inventory levels along with its purchase commitments each reporting period and writes down inventory that is either expected to be at risk of expiration prior to sale or has a cost basis in excess of its expected net realizable value.

Auditing management's estimates for excess inventory involved subjective auditor judgment because the estimates rely on a number of factors that are affected by market and economic conditions outside the Company's control. In particular, the excess inventory calculations are sensitive to significant assumptions, including the expected demand for the Company’s products, the effect on demand of competitive products and the Company's purchase commitments.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls over the Company's excess and obsolete inventory reserve process including management's review of the significant assumptions described above and controls over the completeness and accuracy of the information used to develop the estimate.

Our substantive audit procedures included, among others, evaluating methodologies used and data utilized in the analysis for inventory expected to be at risk for expiration or excess, or has a cost basis in excess of its expected net realizable value. We evaluated purchase commitments or alternative uses, compared forecasted demand and expected net realizable value to historical trends, compared actual inventory levels to forecasted demand requirements and expected net realizable value, and evaluated the sensitivity of sales forecast assumptions on the amount of inventory reserves recorded.

Business Combination

Description of the Matter

During the year ended December 31, 2023, the Company completed its acquisition of Surface Oncology, Inc. ("Surface") for consideration of $64.6 million in net assets, as disclosed in Note 6 to the consolidated financial statements. The transaction was accounted for as a business combination.

Auditing the Company's accounting for its acquisition of Surface was complex due to the significant estimation required by management to determine the fair value of certain identified finite and indefinite-lived intangible assets, principally consisting of out-license intangible assets of $13.5 million and in-process research and development intangible assets of $26.2 million, respectively. The significant estimation uncertainty was primarily due to the sensitivity of the respective fair values to underlying assumptions about the future performance of the acquired business. The significant assumptions used to estimate the fair value of these intangible assets included certain assumptions including estimated future cash flows from revenues of acquired assets, the timing and projection of costs and expenses and the related profit margins, and discount rates. These significant assumptions are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for the acquisition. This included testing controls over the estimation process supporting the recognition and measurement of the out-license assets and in-process research and development, including the valuation models and underlying assumptions used to develop such estimates.

To test the estimated fair value of the in-process research and development and out-license assets, we performed audit procedures that included, among others, evaluating the Company's selection of the valuation methodology, evaluating the methods and significant assumptions used by the Company, and evaluating the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. For example, we compared the significant assumptions to current industry, market and economic trends and to the Company's forecasts. We involved our valuation specialists to assist with our evaluation of the methodology used by the Company and significant assumptions included in the fair value estimates. Our valuation specialists' procedures included, among others, developing a range of independent estimates for the discount rates used in the valuation models and comparing those to the discount rates selected by management.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2012.

San Mateo, California
March 15, 2024

Coherus BioSciences, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 102,891	$ 63,547
Investments in marketable securities	14,857	128,134
Trade receivables, net	260,522	109,964
Inventory	62,605	38,791
Prepaid manufacturing	23,657	17,880
Other prepaids and current assets	11,099	22,918
Total current assets	475,631	381,234
Property and equipment, net	5,119	8,754
Inventory, non-current	67,495	76,260
Intangible assets, net	71,673	5,931
Other assets, non-current	9,686	8,668
Total assets	$ 629,604	$ 480,847
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 35,219	$ 11,526
Accrued rebates, fees and reserves	169,645	54,461
Accrued compensation	21,521	22,610
Accrued and other current liabilities	105,386	50,097
Total current liabilities	331,771	138,694
Term loans	246,481	245,483
Convertible notes	226,888	225,575
Lease liabilities, non-current	5,328	5,046
Other liabilities, non-current	12,561	3,467
Total liabilities	823,029	618,265
Commitments and contingencies (Note 9)		
Stockholders' deficit:		
Preferred stock ($0.0001 par value; shares authorized: 5,000,000; shares issued and outstanding: 0 at December 31, 2023 and 2022)	—	—
Common stock ($0.0001 par value; shares authorized: 300,000,000; shares issued and outstanding: 112,215,260 and 78,851,516 at December 31, 2023 and 2022, respectively)	11	8
Additional paid-in capital	1,386,312	1,204,431
Accumulated other comprehensive loss	(248)	(249)
Accumulated deficit	(1,579,500)	(1,341,608)
Total stockholders' deficit	(193,425)	(137,418)
Total liabilities and stockholders' deficit	$ 629,604	$ 480,847

See accompanying notes.

Coherus BioSciences, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Year Ended December 31,		
	2023	2022	2021
Net revenue	$ 257,244	$ 211,042	$ 326,551
Costs and expenses:			
Cost of goods sold	158,992	70,083	57,591
Research and development	109,436	199,358	363,105
Selling, general and administrative	192,015	198,481	169,713
Total costs and expenses	460,443	467,922	590,409
Loss from operations	(203,199)	(256,880)	(263,858)
Interest expense	(40,542)	(32,474)	(22,959)
Loss on debt extinguishment	—	(6,222)	—
Other income (expense), net	5,469	3,822	(283)
Loss before income taxes	(238,272)	(291,754)	(287,100)
Income tax provision (benefit)	(380)	—	—
Net loss	$ (237,892)	$ (291,754)	$ (287,100)
Basic and diluted net loss per share	$ (2.53)	$ (3.76)	$ (3.81)
Weighted-average number of shares used in computing basic and diluted net loss per share	94,162,637	77,630,020	75,449,632

See accompanying notes.

Coherus BioSciences, Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Net loss	$ (237,892)	(291,754)	$ (287,100)
Other comprehensive income (loss):			
Unrealized gain on available-for-sale securities, net of tax	2	22	—
Foreign currency translation adjustments, net of tax	(1)	(1)	—
Comprehensive loss	$ (237,891)	$ (291,733)	$ (287,100)

See accompanying notes.

Coherus BioSciences, Inc.
Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share and per share data)

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Loss	Deficit	Equity (Deficit)
Balances at December 31, 2020	72,513,348	$ 7	$ 1,043,991	$ (270)	$ (762,754)	$ 280,974
Net loss	—	—	—	—	(287,100)	(287,100)
Issuance of common stock upon exercise of stock options	1,316,361	—	10,410	—	—	10,410
Issuance of common stock upon vesting of RSUs	465,930	—	—	—	—	—
Issuance of common stock under the ESPP	238,934	—	3,002	—	—	3,002
Issuance of common stock to Junshi Biosciences, net of issuance costs	2,491,988	—	40,903	—	—	40,903
Taxes paid related to net share settlement of RSUs	(96,465)	—	(1,753)	—	—	(1,753)
Stock-based compensation expense	—	—	51,290	—	—	51,290
Balances at December 31, 2021	76,930,096	7	1,147,843	(270)	(1,049,854)	97,726
Net loss	—	—	—	—	(291,754)	(291,754)
Issuance of common stock upon exercise of stock options	141,897	—	691	—	—	691
Issuance of common stock upon vesting of RSUs	806,854	—	—	—	—	—
Issuance of common stock under the ESPP	347,883	—	2,320	—	—	2,320
Issuance of common stock under ATM Offering, net of issuance costs	916,884	1	6,133	—	—	6,134
Taxes paid related to net share settlement of RSUs	(292,098)	—	(3,744)	—	—	(3,744)
Stock-based compensation expense	—	—	51,188	—	—	51,188
Other comprehensive gain, net of tax	—	—	—	21	—	21
Balances at December 31, 2022	78,851,516	8	1,204,431	(249)	(1,341,608)	(137,418)
Net loss	—	—	—	—	(237,892)	(237,892)
Issuance of common stock upon exercise of stock options	430,504	—	694	—	—	694
Issuance of common stock upon vesting of RSUs	1,280,901	—	—	—	—	—
Issuance of common stock under the ESPP	630,348	—	1,809	—	—	1,809
Issuance of common stock in connection with Surface Acquisition:[(1)]						
Issuance to Surface shareholders for acquisition	11,971,460	1	58,540	—	—	58,541
Accelerated vesting of equity awards	261,239	—	1,053	—	—	1,053
Taxes paid related to net share settlement of equity awards	(65,732)	—	(347)	—	—	(347)
Issuance of common stock under ATM Offering, net of issuance costs	3,559,761	1	18,316	—	—	18,317
Issuance of common stock under Public Offering, net of issuance costs	13,529,411	1	53,624	—	—	53,625
Issuance of common stock under Optional Stock Purchase Agreement	2,225,513	—	8,179	—	—	8,179
Taxes paid related to net share settlement of RSUs	(459,661)	—	(3,527)	—	—	(3,527)
Stock-based compensation expense	—	—	43,540	—	—	43,540
Other comprehensive gain, net of tax	—	—	—	1	—	1
Balances at December 31, 2023	112,215,260	$ 11	$ 1,386,312	$ (248)	$ (1,579,500)	$ (193,425)

(1) See Note 6 for further discussion.

See accompanying notes.

Coherus BioSciences, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December 31,		
	2023	2022	2021
Operating activities			
Net loss	$ (237,892)	$ (291,754)	$ (287,100)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	3,791	3,699	3,454
Stock-based compensation expense	43,110	50,737	51,364
Write-off of prepaid manufacturing services related to the termination of CHS-2020	—	—	3,210
Inventory write-downs, net	52,595	26,000	5,133
Non-cash amortization of premium (accretion of discount) on marketable securities, net	(3,052)	(730)	1,095
Non-cash interest expense from amortization of debt discount and issuance costs	2,407	6,431	4,257
Non-cash operating lease expense	2,476	2,503	2,207
Upfront and option payments to Junshi Biosciences	—	35,000	136,000
Loss on debt extinguishment	—	6,222	—
Other non-cash adjustments, net	(1,493)	25	588
Changes in operating assets and liabilities:			
Trade receivables, net	(150,683)	13,052	34,062
Inventory	(46,734)	(47,348)	(6,253)
Prepaid manufacturing	2,027	(4,214)	3,828
Other prepaid, current and non-current assets	16,155	(13,424)	(5,351)
Accounts payable	23,760	(4,548)	874
Accrued rebates, fees and reserves	113,105	(24,566)	(2,502)
Accrued compensation	(5,373)	596	(230)
Accrued and other current and non-current liabilities	10,917	1,195	17,932
Net cash used in operating activities	(174,884)	(241,124)	(37,432)
Investing activities			
Purchases of property and equipment	(286)	(2,039)	(1,289)
Proceeds from disposal of property and equipment	845	—	—
Purchases of investments in marketable securities	(19,507)	(127,382)	(182,485)
Proceeds from maturities of investments in marketable securities	144,360	—	99,692
Proceeds from sale of investments in marketable securities	13,282	—	81,672
Cash and cash equivalents acquired from Surface Acquisition	6,997	—	—
Upfront and option payments to Junshi Biosciences	—	(35,000)	(136,000)
Milestone based license fee payments	(1,051)	(2,429)	—
Net cash provided by (used in) investing activities	144,640	(166,850)	(138,410)
Financing activities			
Proceeds from 2027 Term Loans, net of debt discount & issuance costs	—	240,679	—
Proceeds from issuance of common stock to Junshi Biosciences, net of issuance costs	—	—	40,903
Proceeds from issuance of common stock under ATM Offering, net of issuance costs	18,093	6,358	—
Proceeds from issuance of common stock under Public Offering, net of issuance costs	53,625	—	—
Proceeds from issuance of common stock upon exercise of stock options	694	691	10,399
Proceeds from purchase under the employee stock purchase plan	1,809	2,320	3,002
Taxes paid related to net share settlement	(3,587)	(3,744)	(1,753)
Repayment of 2022 Convertible Notes and premiums	—	(109,000)	—
Repayment of 2025 Term Loan, premiums and exit fees	—	(81,750)	—
Other financing activities	(1,034)	(1,228)	(672)
Net cash provided by financing activities	69,600	54,326	51,879
Net increase (decrease) in cash, cash equivalents and restricted cash	39,356	(353,648)	(123,963)
Cash, cash equivalents and restricted cash at beginning of period	63,987	417,635	541,598
Cash, cash equivalents and restricted cash at end of period	$ 103,343	$ 63,987	$ 417,635
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 37,857	$ 34,878	$ 18,684
Income taxes paid (refunded), net	$ (118)	$ 40	$ 1,221

See accompanying notes.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements

1. Organization and Significant Accounting Policies

Description of the Business

Coherus BioSciences, Inc. (the "Company" or "Coherus") is a commercial-stage biopharmaceutical company focused on the research, development and commercialization of its portfolio of FDA-approved oncology products, including LOQTORZI. The Company's strategy is to build a leading immuno-oncology business funded with cash generated from its diversified portfolio of FDA-approved therapeutics. The Company's headquarters and laboratories are located in Redwood City, California and in Camarillo, California, respectively. The Company sells UDENYCA (pegfilgrastim-cbqv), a biosimilar to Neulasta, a long-acting granulocyte-colony stimulating factor, in the United States. On August 2, 2022, the FDA approved CIMERLI® (ranibizumab-eqrn), a biosimilar to Lucentis, and commercial launch commenced in October 2022 in the United States. The Company launched YUSIMRY® (adalimumab-aqvh), a biosimilar to Humira (adalimumab), in the United States in July 2023. On October 27, 2023, the Company announced that LOQTORZI™ (toripalimab-tpzi) was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. LOQTORZI is a novel PD-1 inhibitor that the Company developed in collaboration with Junshi Biosciences. The Company announced the launch of LOQTORZI in the U.S. on January 2, 2024. On January 19, 2024, the Company entered into the Purchase Agreement by and between the Company and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, the Company completed the Sale Transaction for its CIMERLI ophthalmology franchise through the sale of its subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

The Company's product pipeline comprises the following three product candidates: CHS-1000, an antibody targeting ILT4; casdozokitug (CHS-388, formerly SRF388), an antibody targeting IL-27; and CHS-114 (formerly SRF114), a highly specific afucosylated IgG1 antibody targeting CCR8. In addition to the Company's internally developed portfolio of product candidates, the Company has two product candidates, NZV930 and GSK4381562, which are exclusively licensed to Novartis Institutes and GSK, respectively.

Basis of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP and include the accounts of Coherus and its wholly-owned subsidiaries. The Company does not have any significant interest in variable interest entities. All material intercompany transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities when these values are not readily apparent from other sources. Accounting estimates and judgements are inherently uncertain, and the actual results could differ from these estimates.

Segment Reporting and Revenue by Geographic Region

The Company operates and manages its business as one reportable and operating segment, which is the business of developing and commercializing human pharmaceutical products. The Company's chief executive officer, as the chief operating decision maker ("CODM"), manages and allocates resources to the operations of the Company on an entity-wide basis. Managing and allocating resources on an entity-wide basis enables the CODM to assess the overall level of resources available and how to best deploy these resources across functions. Primarily, all revenue is generated and all long-lived assets are maintained in the United States.

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash comprise cash and highly liquid investments with original maturities of 90 days or less.

The following table provides a reconciliation of cash, cash equivalents and restricted cash within the consolidated balance sheets and which, in aggregate, represent the amount reported in the consolidated statements of cash flows:

(in thousands)	January 1,		
At beginning of period:	2023	2022	2021
Cash and cash equivalents	$ 63,547	$ 417,195	$ 541,158
Restricted cash	440	440	440
Total cash, cash equivalents and restricted cash	$ 63,987	$ 417,635	$ 541,598

	December 31,		
At end of period:	2023	2022	2021
Cash and cash equivalents	$ 102,891	$ 63,547	$ 417,195
Restricted cash	452	440	440
Total cash, cash equivalents and restricted cash	$ 103,343	$ 63,987	$ 417,635

Restricted cash consists of deposits for letters of credit that the Company has provided to secure its obligations under certain leases and is included in other assets, non-current in the consolidated balance sheets.

The Company classifies the up-front and milestone payments related to licensing arrangements as cash flows used in investing activities in its consolidated statements of cash flows.

Trade Receivables

Trade receivables are recorded net of allowances for chargebacks, chargeback prepayments, cash discounts for prompt payment and credit losses. The Company estimates an allowance for expected credit losses by considering factors such as historical experience, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay. The corresponding expense for the credit loss allowance is reflected in selling, general and administrative expenses and was not material during the periods presented. The Company believes that its allowance for expected credit losses was adequate and immaterial as of December 31, 2023 and 2022.

Investments in Marketable Securities

Investments in marketable securities primarily consist of U.S. Treasury securities, government agency securities, commercial paper, corporate bonds and market money funds. Management determines the appropriate classification of investments in marketable securities at the time of purchase based upon management's intent with regards to such investment and reevaluates such designation as of each balance sheet date. The Company's investment policy requires that it only invests in highly rated securities and limits its exposure to any single issuer, except for securities issued by the U.S. government. All investments in marketable debt securities are held as "available-for-sale" and are carried at the estimated fair value as determined based upon quoted market prices or pricing models for similar securities.

The Company classifies investments in marketable securities as short-term when they have remaining contractual maturities of one year or less from the balance sheet date. The Company regularly reviews its investments for declines in fair value below the amortized cost basis to determine whether the impairment, if any, is due to credit-related or other factors. This review includes the credit worthiness of the security issuers, the severity of the unrealized losses, whether the Company has the intent to sell the securities and whether it is more likely than not that the Company will be required to sell the securities before the recovery of the amortized cost basis. Unrealized gains and losses on available-for-sale debt securities are reported as a component of accumulated comprehensive income (loss), with the exception of unrealized losses believed to be related to credit losses, if any, which are recognized in earnings in the period the impairment occurs. Impairment assessments are made at the individual security level each reporting period. When the fair value of an available-for-sale debt investment is less than its cost at the balance sheet date, a determination is made as to whether the impairment is related to a credit loss and, if it is, the portion of the impairment relating to credit loss is recorded as an allowance through net income. There were no impairments related to credit losses during any of the periods presented. Realized gains and losses, if any, on available-for-sale securities

are included in other income (expense), net, in the consolidated statements of operations based on the specific identification method. During 2023, 2022 and 2021, interest income from marketable securities was $2.8 million, $1.9 million and $1.4 million, respectively, and is included in other income (expense), net, in the consolidated statements of operations.

Concentrations of Risk

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash, cash equivalents, investments in marketable securities and trade receivables. The Company attempts to minimize the risks related to cash, cash equivalents and marketable securities by investing in a broad and diverse range of financial instruments. The investment portfolio is maintained in accordance with the Company's investment policy, which defines allowable investments, specifies credit quality standards and limits the credit exposure of any single issuer. The Company monitors the credit worthiness of customers that are granted credit in the normal course of business. In general, there is no requirement for collateral from customers.

Substantially all of the Company's revenues are in the United States to three wholesalers. During 2023, the products sold by the Company were UDENYCA, CIMERLI, YUSIMRY and LOQTORZI. During 2022, UDENYCA and CIMERLI were the only products sold by the Company, and in 2021 UDENYCA accounted for all of the Company's revenues.

The Company enters into a strategic commercial supply agreement for each of its products. The Company currently has not engaged back-up suppliers or vendors. If any of the Company's current vendors are not able to manufacture the supply needed in the quantities and timeframe required, the Company may not be able to supply the product in a timely manner.

Derivative Instruments

In January 2023, the Company commenced using derivative contracts (foreign exchange option contracts) for the purpose of economically hedging exposure to changes in currency fluctuations between the U.S. Dollar and the Euro. The Company recognizes all derivatives at fair value on the consolidated balance sheets, and corresponding gains and losses are recognized in other income (expense), net in the consolidated statements of operations. The estimated fair value of derivative financial instruments represents the amount required to enter into similar contracts with similar remaining maturities based on quoted market prices. During the periods presented, the Company did not apply hedge accounting to these instruments. There are no derivative instruments entered into for speculative or trading purposes. Since the Company's foreign exchange derivatives all matured and settled by December 31, 2023, there were no derivative assets or derivative liabilities as of December 31, 2023.

Business Combination Accounting & Valuation of Acquired Assets

The Company accounts for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. Judgment is required in assessing whether the acquired processes or activities, along with their inputs, meet the criteria to constitute a business, as defined by U.S. GAAP.

The acquisition method of accounting requires the recognition of assets acquired and liabilities assumed at their acquisition date fair values. The excess of the fair value of consideration transferred over the fair value of the net assets acquired is recorded as goodwill, or when there is an excess of the fair values of these identifiable assets and liabilities over the fair value of purchase consideration, a bargain purchase gain is recorded in the consolidated statements of operations. The estimations of fair values based on non-observable inputs that are included in valuation models. An income approach, which generally relies upon projected cash flow models, is used in estimating the fair value of the acquired intangible assets. These cash flow projections are based on management's estimates of economic and market conditions including the estimated future cash flows from revenues of acquired assets, the timing and projection of costs and expenses and the related profit margins, tax rates, and discount rate.

During the measurement period, which occurs before finalization of the purchase price allocation, changes in assumptions and estimates that result in adjustments to the fair values of assets acquired and liabilities assumed, if based on facts and circumstances existing at the acquisition date, are recorded on a retroactive basis as of the acquisition date, with the corresponding offset to goodwill or bargain purchase gain (See Note 6. Surface Acquisition).

Foreign Currency

Monetary assets and liabilities denominated in foreign currency are remeasured at period-end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies are remeasured at historical rates. Translation gains and losses are included in

accumulated other comprehensive loss in stockholders' equity (deficit). Revenue and expense accounts are translated to U.S. dollars at average exchange rates in effect during the period with resulting transaction gains and losses recognized in other income (expense), net in the consolidated statements of operations. The Company has not experienced material foreign currency transaction gains and losses for any of the years presented.

Inventory

Inventory is stated at the lower of cost or estimated net realizable value with cost determined under the first-in first-out method. Inventory costs include third-party contract manufacturing, third-party packaging services, freight, labor costs for personnel involved in the manufacturing process, and indirect overhead costs. The Company primarily uses actual costs to determine the cost basis for inventory. The determination of excess or obsolete inventory requires judgment including consideration of many factors, such as estimates of future product demand, current and future market conditions, product expiration information, and potential product obsolescence, among others. During 2023 and 2022, the Company recorded $52.6 million and $26.0 million in inventory write-downs, respectively, within cost of goods sold in the consolidated statements of operations. The 2023 charge was primarily for the write-down of slow moving YUSIMRY inventory and the related partial recognition of certain firm purchase commitments. The 2022 charge was due to the competitive environment and lower demand for UDENYCA resulting in certain inventory becoming at risk of expiration.

Although the Company believes the assumptions used in estimating potential inventory write-downs are reasonable, if actual market conditions are less favorable than projected by management, write-downs of inventory, charges related to firm purchase commitments, or both may be required which would be recorded as cost of goods sold in the consolidated statements of operations. Adverse developments affecting the Company's assumptions of the level and timing of demand for its products include those that are outside of the Company's control such as the actions taken by competitors and customers, the direct or indirect effects of the COVID-19 pandemic, and other factors.

Prior to the regulatory approval of product candidates, the Company incurs expenses for the manufacture of drug products that could potentially be available to support the commercial launch of the products. Inventory costs are capitalized when future commercialization is considered probable and the future economic benefit is expected to be realized, based on management's judgment. A number of factors are considered, including the current status in the regulatory approval process, potential impediments to the approval process such as safety or efficacy, viability of commercialization and marketplace trends. Inventory in the consolidated balance sheets as of December 31, 2023 was related to UDENYCA, YUSIMRY, CIMERLI and LOQTORZI. The Company began to capitalize inventory costs associated with UDENYCA, CIMERLI and LOQTORZI after receiving final regulatory approval in November 2018, August 2022, and October 2023, respectively, and capitalization of YUSIMRY inventory costs began in the second quarter of 2022 when sales were deemed probable.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Maintenance and repairs are charged to expense as incurred. Interest costs incurred during the construction of major capital projects are capitalized until the underlying asset is ready for its intended use, at which point the capitalized interest costs are amortized as depreciation or amortization expense over the life of the underlying asset. When the Company disposes of property and equipment, it removes the associated cost and accumulated depreciation from the related accounts in the consolidated balance sheets and include any resulting gain or loss in the consolidated statements of operations. Eligible costs of internal use software and implementation costs of certain hosting arrangements are capitalized and amortized over the estimated useful life of the software or associated hosting arrangement, as applicable. Depreciation and amortization are recognized using the straight-line method over the following estimated useful lives:

Computer equipment and software	3 - 7 years
Furniture and fixtures	5 years
Machinery and equipment	5 years
Leasehold improvements	Shorter of lease term or useful life

Goodwill and Intangible Assets

Goodwill represents the excess of the consideration transferred over the fair value of net assets acquired in a business combination. Goodwill is not amortized but is evaluated for impairment on an annual basis, during the fourth quarter, or more frequently if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of the Company's single reporting unit below its carrying amount.

Acquired in-process research and development ("IPR&D") that the Company acquires in conjunction with the acquisition of a business represents the fair value assigned to incomplete research projects which, at the time of acquisition, have not reached technological feasibility. The amounts are capitalized and are accounted for as indefinite-lived intangible assets, subject to impairment testing until completion or abandonment of the projects. Upon successful completion of each IPR&D project, the Company will commence amortization over the useful life of the intangible asset, which will generally be determined by the period in which the substantial majority of the cash flows are expected to be generated. The Company evaluates IPR&D for impairment on an annual basis, during the fourth quarter, or more frequently if impairment indicators exist.

Finite-lived intangible assets are generally amortized on a straight-line basis over their estimated economic life and are reviewed periodically for impairment. The amortization expense related to capitalized milestone payments under license agreements and the amortization expense from out-licenses are recorded as a component of cost of goods sold in the consolidated statements of operations. The estimated life for capitalized milestone payments is ten years, and the life for acquired out-licenses is fifteen years.

Impairment of Long-Lived Assets

Long-lived assets, including property and equipment and finite-lived intangible assets, are reviewed for impairment whenever facts or circumstances either internally or externally may indicate that the carrying value of an asset may not be recoverable. If there is an indication of impairment, the Company tests for recoverability by comparing the estimated undiscounted future cash flows expected to result from the use of the asset to the carrying amount of the asset or asset group. If the asset or asset group is determined to be impaired, any excess of the carrying value of the asset or asset group over its estimated fair value is recognized as an impairment loss.

Accrued Research and Development Expense

Clinical trial costs are a component of research and development expense. The Company accrues and expenses clinical trial activities performed by third parties based upon actual work completed in accordance with agreements established with clinical research and manufacturing organizations and clinical sites. The Company determines the actual costs through monitoring patient enrollment, discussions with internal personnel and external service providers regarding the progress or stage of completion of trials or services and the agreed-upon fee to be paid for such services.

Contingent Consideration

Contingent consideration relates to the potential payments to holders of the CVRs that are contingent upon the achievement of the Company and certain third-parties meeting product development or financial performance milestones. For transactions accounted for as business combinations, the Company records contingent consideration at fair value at the date of the acquisition based on the consideration expected to be transferred. Liabilities for contingent consideration are remeasured each reporting period and subsequent changes in fair value are recognized within loss from operations in the consolidated statements of operations. The assumptions utilized in the calculation of the fair values include probability of success and the discount rates. Contingent consideration involves certain assumptions requiring significant judgment and actual results may differ from estimated amounts.

Net Revenues

The Company sells to wholesalers and distributors, (collectively, "Customers"). The Customers then resell to hospitals and clinics (collectively, "Healthcare Providers") pursuant to contracts with the Company. In addition to distribution agreements with Customers and contracts with Healthcare Providers, the Company enters into arrangements with group purchasing organizations ("GPOs") that provide for United States government-mandated or privately negotiated rebates, chargebacks and discounts. The Company also enters into rebate arrangements with payers, which consist primarily of commercial insurance companies and government entities, to cover the reimbursement of products to Healthcare Providers. The Company provides co-payment assistance to patients who have commercial insurance and meet certain eligibility requirements. Revenue from product sales is recognized at the point when a Customer obtains control of the product and the Company satisfies its performance obligation, which generally occurs at the time product is shipped to the Customer. Payment terms differ by jurisdiction and customer, but payment terms typically range from 30 to approximately 90 days from date of shipment and may be extended during the launch period of a new product.

Product Sales Discounts and Allowances

Revenue from product sales is recorded at the net sales price ("transaction price"), which includes estimates of variable consideration for which reserves are established and that result from chargebacks, rebates, co-pay assistance, prompt-payment discounts,

returns and other allowances that are offered within contracts between the Company and its Customers, Healthcare Providers, payers and GPOs. These reserves are based on the amounts earned or to be claimed on the related sales and are classified as reductions in trade receivables (if the amounts are payable to a Customer) or current and non-current liabilities (if the amounts are payable to a party other than a Customer). Where appropriate, these estimates take into consideration a range of possible outcomes that are probability-weighted for relevant factors such as historical experience, current contractual and statutory requirements, specifically known market events and trends, industry data and forecasted Customer buying and payment patterns. Overall, these reserves reflect the best estimates of the amount of consideration to which the Company is entitled based on the terms of its contracts. The amount of variable consideration that is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. The actual amount of consideration ultimately received may differ. If actual results in the future vary from the Company's estimates, the estimates will be adjusted, which will affect net product revenue in the period that such variances become known.

Chargebacks: Chargebacks are discounts that occur when Healthcare Providers purchase directly from a Customer. Healthcare Providers, which belong to Public Health Service institutions, non-profit clinics, government entities, GPOs, and health maintenance organizations, generally purchase the product at a discounted price. The Customer, in turn, charges back to the Company the difference between the price initially paid by the Customer and the discounted price paid by the Healthcare Providers to the Customer. The allowance for chargebacks is based on an estimate of sales through to Healthcare Providers from the Customer.

Discounts for Prompt Payment: The Company provides for prompt payment discounts to its Customers, which are recorded as a reduction in revenue in the same period that the related product revenue is recognized.

Rebates: Rebates include mandated discounts under the Medicaid Drug Rebate Program, other government programs and commercial contracts. Rebate amounts owed after the final dispensing of the product to a benefit plan participant are based upon contractual agreements or legal requirements with these public sector benefit providers. The accrual for rebates is based on statutory or contractual discount rates and expected utilization. The estimates for the expected utilization of rebates are based on Customer and commercially available payer data, as well as data collected from the Healthcare Providers, Customers, GPOs, and historical utilization rates. Rebates invoiced by payers, Healthcare Providers and GPOs are paid in arrears. If actual future rebates vary from estimates, the Company may need to adjust its accruals, which would affect net product revenue in the period of adjustment.

Co-payment Assistance: Patients who have commercial insurance and meet certain eligibility requirements may receive co-payment assistance. The calculation of the accrual for co-pay assistance is based on an estimate of claims and the cost per claim that the Company expects to receive associated with product that has been recognized as revenue.

Product Returns: The Company offers its Customers limited product return rights, which are principally based upon whether the product is damaged or defective, or the product's expiration date.

Other Allowances: The Company pays fees to Customers and GPOs for account management, data management and other administrative services. To the extent that the services received are distinct from the sale of products to the customer, these payments are classified in selling, general and administrative expense in the Company's consolidated statements of operations, otherwise they are included as a reduction in product revenue.

Royalty Revenue

Royalty revenue from licensees, which is based on sales to third parties of licensed products, is recorded when the third-party sale occurs and the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). Royalty revenue was immaterial for all periods presented and is included in net revenue.

Cost of Goods Sold

Cost of goods sold consists primarily of third-party manufacturing, distribution, certain overhead costs, royalties on certain products, and charges for inventory write-downs. Through March 31, 2021, a portion of the costs of producing UDENYCA sold was expensed as research and development before the FDA approval of UDENYCA and therefore is not reflected in cost of goods sold. All the inventory expensed prior to approval of UDENYCA was fully utilized by March 31, 2021; thus, the costs of producing UDENYCA are fully reflected in cost of goods sold beginning April 1, 2021.

On May 2, 2019, the Company and Amgen settled a trade secret action brought by Amgen. As a result, cost of goods sold reflects a mid-single digit royalty on UDENYCA net product revenue, which began on July 1, 2019. The royalty cost will continue for five years pursuant to the settlement. Additionally, the Company shares a percentage of gross profits on sales of Bioeq Licensed Products in the United States with Bioeq in the low- to mid-fifty percent range. The Company incurs royalties on net sales of LOQTORZI in the low- to mid-twenty percent range and on net sales of YUSIMRY in the mid-single digit range. Pursuant to the Genentech Agreement, the Company incurred a royalty that was a low single-digit percentage of net sales of CIMERLI through the end of 2023.

In 2023, 2022 and 2021, cost of goods sold included inventory write-downs, net of $52.6 million, $26.0 million and $5.1 million, respectively.

Research and Development Expense

Research and development expense represents costs incurred to conduct research, such as the discovery and development of product candidates. The Company recognizes all research and development costs as they are incurred. The Company currently tracks research and development costs incurred on a product candidate basis only for external research and development expenses. The Company's external research and development expense consists primarily of:

- expense incurred under agreements with collaborators, consultants, third-party CROs, and investigative sites where a substantial portion of the Company's preclinical studies and all of its clinical trials are conducted;
- costs of acquiring originator comparator materials and manufacturing preclinical study and clinical trial supplies and other materials from CMOs, and related costs associated with release and stability testing;
- costs associated with manufacturing process development activities, analytical activities and pre-launch inventory manufactured prior to regulatory approval being obtained or deemed to be probable; and
- upfront and milestone payments related to licensing and collaboration agreements.

Internal costs are associated with activities performed by the Company's research and development organization and generally benefit multiple programs. These costs are not separately allocated by product candidate. Unallocated, internal research and development costs consist primarily of:

- personnel-related expense, which include salaries, benefits and stock-based compensation; and
- facilities and other allocated expense, which include direct and allocated expense for rent and maintenance of facilities, depreciation and amortization of leasehold improvements and equipment, laboratory and other supplies.

License Agreements

The Company has entered and may continue to enter into license agreements to access and utilize certain technology. To determine whether the licensing transactions should be accounted for as a business combination or as an asset acquisition, the Company makes certain judgments, which include assessing whether the acquired set of activities and assets would meet the definition of a business under the relevant accounting rules.

If the acquired set of activities and assets does not meet the definition of a business, the transaction is recorded as an asset acquisition and therefore, any acquired IPR&D that does not have an alternative future use is charged to expense at the acquisition date. To date none of the Company's license agreements have been considered to be the acquisition of a business.

Selling, General and Administrative Expense

Selling, general and administrative expense comprises primarily compensation and benefits associated with sales and marketing, finance, human resources, legal, information technology and other administrative personnel, outside marketing, advertising and legal expenses and other general and administrative costs. The Company expenses the cost of advertising, including promotional expenses, as incurred. Advertising expenses were $10.9 million, $10.5 million and $8.7 million in 2023, 2022 and 2021, respectively.

Stock-Based Compensation

The Company's compensation programs include stock-based awards, and the related grants under these programs are accounted for at fair value. The fair values are recognized as compensation expense on a straight-line basis over the vesting period with the related costs recorded in cost of goods sold, research and development, and selling, general and administrative expense, as appropriate. The Company accounts for forfeitures as they occur. The Company accounts for stock issued in connection with business combinations based on the fair value of the Company's common stock on the date of issuance.

Income Taxes

The Company utilizes the liability method of accounting for deferred income taxes. Under this method, deferred tax liabilities and assets are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance is established against deferred tax assets when, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company's policy is to record interest and penalties on uncertain tax positions as income tax expense.

The Company recognizes uncertain income tax positions at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. The Company does not expect its unrecognized tax benefits from prior years to change significantly in 2024.

Operating and Finance Leases

The Company determines at an arrangement's inception whether it is a lease. The Company does not recognize right-of-use assets and lease liabilities related to short-term leases. The Company also does not separate lease and non-lease components for its facility and vehicle leases. Operating leases are included in accrued and other current liabilities, other assets, non-current, and lease liabilities, non-current in the consolidated balance sheets. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise any such options. The Company recognizes operating lease expense for these leases on a straight-line basis over the lease term.

The terms of vehicles leased under the Company's fleet agreement ("Vehicle Lease Agreement") are 36 months. The vehicles leased under this arrangement were classified as finance leases. Finance leases are included in property and equipment, net, accrued and other current liabilities, and lease liabilities, non-current in the consolidated balance sheets. Assets under finance leases are depreciated to operating expenses on a straight-line basis over the lease term.

The operating and finance lease right-of-use assets and the lease liabilities are recognized based on the present value of lease payments over the lease term at the lease commencement date. The Company uses its incremental borrowing rate based on the information available at the commencement date or the lease modification date, as applicable, in determining the lease liabilities as the Company's leases generally do not provide an implicit rate.

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period, without consideration for potential dilutive common shares. Diluted net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding for the period, without consideration for any potential dilutive common share equivalents as their effect would be antidilutive (see Note 14. Net Loss Per Share).

Comprehensive Loss

Comprehensive loss includes the following two components: net loss and other comprehensive income (loss). Other comprehensive income (loss) refers to gains and losses that are recorded as an element of stockholders' equity (deficit), but are excluded from net loss. The Company's other comprehensive income (loss) includes unrealized gains on available-for-sale securities and foreign currency translation adjustments in 2023, 2022 and 2021.

Reclassifications

Certain amounts in prior years' financial statements have been reclassified to conform with the current year presentation in 2023, including amounts in the consolidated statements of cash flows. There were no changes to net cash used in operating activities in the consolidated statements of cash flows for the prior years as a result.

Recent Accounting Pronouncements

The following are recent accounting pronouncements that the Company has not yet adopted:

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures*, which enhances the disclosures required for operating segments by requiring disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, among other expanded. All disclosure requirements of ASU 2023-07 are required for entities with a single reportable segment. The new standard is effective for the Company for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the amendments in this update should be applied retrospectively to all periods presented. The Company is currently evaluating the impact this ASU may have on its financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The new standard is effective for the Company for annual periods beginning after December 15, 2024, with early adoption permitted. The amendments in this ASU should be applied prospectively; however, retrospective application is also permitted. The Company is currently evaluating the impact this ASU may have on its financial statement disclosures.

The Company has reviewed other recent accounting pronouncements and concluded they are either not applicable to the business or that no material effect is expected on the consolidated financial statements as a result of future adoption.

2. Revenue

The Company launched LOQTORZI and YUSIMRY in the United States in December and July 2023, respectively, and initiated sales of CIMERLI on October 3, 2022. All net product revenue was generated in the United States, and the Company's net revenue was as follows:

	Year Ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Products			
UDENYCA	$ 127,064	$ 203,814	$ 326,509
CIMERLI	125,388	6,946	—
YUSIMRY	3,574	—	—
LOQTORZI	554	—	—
Total net product revenue	256,580	210,760	326,509
Other	664	282	42
Total net revenue	$ 257,244	$ 211,042	$ 326,551

Gross product revenues by significant customer as a percentage of total gross product revenues were as follows:

	Year Ended December 31,		
	2023	**2022**	**2021**
McKesson Corporation	40 %	38 %	39 %
Cencora (previously known as AmeriSource-Bergen Corporation)	43 %	44 %	39 %
Cardinal Health, Inc.	15 %	17 %	20 %

Product Sales Discounts and Allowances

Provisions that reduce net revenue include chargebacks and discounts for prompt payment, which are recorded as a reduction in trade receivables, and rebates, other fees, co-pay assistance and returns, which are recorded as current liabilities and other liabilities, non-current in the accompanying consolidated balance sheets. The activities and ending reserve balances for each significant category of sales discounts and allowances, which constitute variable consideration, are as follows:

(in thousands)	Chargebacks and Discounts for Prompt Payment	Rebates	Other Fees, Co-pay Assistance and Returns	Total
Balances at December 31, 2020	$ 40,580	$ 54,058	$ 28,760	$ 123,398
Provision related to sales made in:				
Current period	470,791	113,705	94,703	679,199
Prior period - increase (decrease)	(2,876)	(4,976)	(3,555)	(11,407)
Payments and customer credits issued	(478,830)	(108,783)	(93,854)	(681,467)
Balances at December 31, 2021	29,665	54,004	26,054	109,723
Provision related to sales made in:				
Current period	436,865	68,399	73,435	578,699
Prior period - increase (decrease)	(2,090)	(1,050)	32	(3,108)
Payments and customer credits issued	(421,763)	(82,640)	(80,408)	(584,811)
Balances at December 31, 2022	42,677	38,713	19,113	100,503
Provision related to sales made in:				
Current period	590,772	143,370	110,183	844,325
Prior period - increase (decrease)	(1,361)	1,424	3,744	3,807
Payments and customer credits issued	(558,135)	(62,370)	(83,245)	(703,750)
Balances at December 31, 2023	$ 73,953	$ 121,137	$ 49,795	$ 244,885

3. Fair Value Measurements

The fair value of financial instruments are classified into one of the following categories based upon the lowest level of input that is significant to the fair value measurement:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair values of cash equivalents approximate their carrying values due to the short-term nature of such financial instruments.

In connection with the Surface Acquisition on September 8, 2023 (see Note 6. Surface Acquisition), the Company acquired money market funds and marketable securities and recorded a contingent consideration liability related to the CVRs. At the end of each reporting period, the fair value of the CVR liability is determined using a financial model representing a Level 3 measurement within the fair value hierarchy. Assumptions used in this calculation include estimated revenue, discount rate and various probability factors. If different assumptions were used for the various inputs, the estimated fair value could be significantly higher or lower than the fair value the Company determined. For example, increases in discount rates and the time to payment may result in lower fair value measurements. There is no assurance that any of the conditions for payment of the CVR liability will be met. As of December 31, 2023, the CVR liability was reduced by a fair value adjustment of $0.9 million which was recorded within selling, general and administrative expense in the

consolidated statements of operations. The CVR liabilities were recorded in accrued and other current liabilities and other liabilities, non-current on the consolidated balance sheets.

Financial liabilities related to long-term debt obligations are summarized in Note 8. Debt Obligations. Other financial liabilities and financial assets measured at fair value on a recurring basis are summarized as follows:

	Fair Value Measurements December 31, 2023			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Cash equivalents[1]	$ 88,460	$ 998	$ —	$ 89,458
Marketable debt securities:				
U.S. government agency securities	5,195	—	—	5,195
U.S. treasury securities	2,993	—	—	2,993
Commercial paper and corporate notes	—	6,669	—	6,669
Prepaid financial instrument in Prepaid manufacturing[2]	—	—	625	625
Total	$ 96,648	$ 7,667	$ 625	$ 104,940
Financial Liabilities:				
Contingent consideration	$ —	$ —	$ 4,472	$ 4,472

	Fair Value Measurements December 31, 2022			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Cash equivalents[1]	$ 55,060	$ —	$ —	$ 55,060
Marketable debt securities:				
U.S. government agency securities	19,964	—	—	19,964
U.S. treasury securities	68,418	—	—	68,418
Commercial paper and corporate notes	—	48,203	—	48,203
Total	$ 143,442	$ 48,203	$ —	$ 191,645

(1) Cash equivalents consist of money market funds, U.S treasury securities, and commercial paper and corporate notes with original maturities of 90 days or less.

(2) Relates to Optional Stock Purchase Agreement.

The cost, unrealized gains or losses, and fair value by investment type are summarized as follows:

	December 31, 2023			
(in thousands)	Cost	Unrealized Gain	Unrealized (Loss)	Fair Value
Money market funds	$ 79,484	$ —	$ —	$ 79,484
U.S. government agency securities	5,200	—	(5)	5,195
U.S. treasury securities	11,967	2	—	11,969
Commercial paper and corporate notes	7,673	—	(6)	7,667
Total	$ 104,324	$ 2	$ (11)	$ 104,315

	December 31, 2022			
(in thousands)	Cost	Unrealized Gain	Unrealized (Loss)	Fair Value
Money market funds	$ 55,060	$ —	$ —	$ 55,060
U.S. government agency securities	19,929	35	—	19,964
U.S. treasury securities	68,431	8	(21)	68,418
Commercial paper and corporate notes	48,203	—	—	48,203
Total	$ 191,623	$ 43	$ (21)	$ 191,645

The Company held 9 and 13 positions that were in unrealized loss positions as of December 31, 2023 and 2022, respectively. No impairment was recognized in 2023 or 2022. As of December 31, 2023 and 2022, the remaining contractual maturities of available-for-sale securities were less than one year, and the average maturity of investments upon acquisition was approximately 9 and 7 months, respectively. The accrued interest receivable on available-for-sale marketable securities was immaterial at December 31, 2023 and 2022.

4. Inventory

Inventory consisted of the following:

	December 31,	
(in thousands)	2023	2022
Raw materials	$ 12,975	$ 10,262
Work in process	82,588	86,712
Finished goods	34,537	18,077
Total	$ 130,100	$ 115,051

During 2023, the Company recorded a $47.0 million charge for the write-down of slow moving YUSIMRY inventory, inclusive of the related partial recognition of $20.5 million in certain firm purchase commitments in cost of goods sold in the consolidated statements of operations. The Company has presented the partial recognition of these certain firm purchase commitments in the amounts of $11.5 million and $9.0 million in accrued and other current liabilities and other liabilities, non-current, respectively, in the consolidated balance sheets as of December 31, 2023. Inventory expected to be sold more than twelve months from the balance sheet date is classified as inventory, non-current in the consolidated balance sheets. As of December 31, 2023 and 2022, the non-current portion of inventory consisted of raw materials, work in process and a portion of finished goods. The following table presents the inventory balance sheet classifications:

	December 31,	
(in thousands)	2023	2022
Inventory	$ 62,605	$ 38,791
Inventory, non-current	67,495	76,260
Total	$ 130,100	$ 115,051

Prepaid manufacturing of $23.7 million as of December 31, 2023 includes prepayments of $12.6 million to CMOs for manufacturing services of the Company's products, which the Company expects to be converted into inventory during 2024, and prepayments of $11.1 million to various CMOs for research and development pipeline programs. Prepaid manufacturing of $17.9 million

as of December 31, 2022 included prepayments of $13.0 million to CMOs for manufacturing services of the Company's products and prepayments of $4.9 million to various CMOs for research and development pipeline programs.

In February 2021, the Company announced the discontinuation of the development of CHS-2020, a biosimilar of Eylea as part of a realignment of research and development resources toward other development programs. As a result, the Company recognized $11.2 million within research and development expense in the consolidated statements of operations in 2021, which included an impairment charge of $3.2 million for the write-off of prepaid manufacturing services no longer deemed to have future benefits. No material expense relating to the discontinuation of CHS-2020 was recognized after March 31, 2021.

5. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net consisted of the following:

	December 31,	
(in thousands)	2023	2022
Machinery and equipment	$ 13,124	$ 12,944
Computer equipment and software	3,546	3,183
Furniture and fixtures	1,055	1,258
Leasehold improvements	5,751	6,198
Finance lease right of use assets	2,294	4,632
Construction in progress	—	696
Total property and equipment	25,770	28,911
Accumulated depreciation and amortization	(20,651)	(20,157)
Property and equipment, net	$ 5,119	$ 8,754

Depreciation and amortization expense related to property and equipment, net was $3.2 million, $3.6 million and $3.5 million in 2023, 2022 and 2021, respectively. There were no material impairments of property and equipment in 2023, 2022 and 2021.

As of December 31, 2023 and 2022, the net book value of software implementation costs related to hosting arrangements was $3.2 million and $3.5 million, respectively, and the amortization expense was immaterial for all periods presented.

Intangible Assets, Net

Goodwill and intangible assets, net consisted of the following:

	December 31,	
(in thousands)	2023	2022
Finite-lived assets, net of accumulated amortization of $639 and $61, respectively	$ 41,871	$ 2,368
Indefinite-lived assets - IPR&D	28,859	2,620
Goodwill	943	943
Total Intangible assets, net	$ 71,673	$ 5,931

Amortization expense related to finite-lived intangible assets was immaterial in all periods presented. As of December 31, 2023, amortization expense related to finite-lived assets for each of the five succeeding fiscal years will be approximately $3.8 million. The weighted average remaining life of the finite-lived assets is 11.4 years on December 31, 2023. No impairment charges were recognized for goodwill or intangible assets during 2023, 2022 or 2021. During 2023, the Company's intangible assets increased due to assets acquired in the Surface Acquisition (see Note 6. Surface Acquisition) and capitalized milestone payments, including $25.0 million to Junshi Biosciences (see Note 7. Collaborations and Other Arrangements).

Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

(in thousands)	December 31, 2023	December 31, 2022
Accrued commercial and research and development manufacturing	$ 23,470	$ 21,774
Accrued co-development costs and milestone payments	26,812	8,356
Accrued royalties	42,031	5,015
Accrued other	7,628	10,634
Lease liabilities, current	2,145	4,318
Contingent consideration, current	3,300	—
Total Accrued and other current liabilities	$ 105,386	$ 50,097

Other Liabilities, Non-current

Other liabilities, non-current consisted of the following:

(in thousands)	December 31, 2023	December 31, 2022
Contingent consideration, non-current	$ 1,172	$ 102
Deferred tax liability	1,102	—
Other	10,287	3,365
Total Other liabilities, non-current	$ 12,561	$ 3,467

6. Surface Acquisition

On September 8, 2023, in accordance with Merger Agreement by the Merger Subs, and Surface, the Company completed the Surface Acquisition. Surface is a clinical-stage immuno-oncology company focused on using its specialized knowledge of the biological pathways critical to the immunosuppressive tumor microenvironment for the development of next-generation cancer therapies. The Surface Acquisition expanded the Company's immune-oncology pipeline with the following: casdozokitug (CHS-388, formerly SRF388), an investigational, novel IL-27-targeted antibody currently being evaluated in a Phase 2 clinical trial in HCC, and CHS-114 (formerly SRF114), an investigational, CCR8-targeted antibody currently in a Phase 1/2 study as a monotherapy in patients with advanced solid tumors.

On the Acquisition Date, and in accordance with the Merger Agreement, the Company issued to the holders of all outstanding Surface common stock (other than treasury shares, any shares of Surface common stock held directly by the Company or the Merger Subs immediately prior to the Acquisition Date and shares of Surface common stock issued and outstanding immediately prior to the Acquisition Date and held by any holder properly demanding appraisal for such shares in accordance with Section 262 of the Delaware General Corporation Law) 0.1960 shares of Coherus common stock in exchange for each share of outstanding Surface common stock and certain outstanding Surface employee equity awards. The exchange ratio was calculated pursuant to the terms of the Merger Agreement and was based on a $5.2831 per share price of Coherus common stock and a nominal total amount of cash in lieu of fractional shares. Surface shareholders also received one CVR for each share of Surface common stock and employee equity award converted. Each CVR entitles the holder to receive quarterly contingent payments in the form of cash, stock or a combination of cash and stock at the Company's discretion during the ten-year period following September 8, 2023, for the sum of the following, less any permitted deductions in accordance with the CVR Agreement:

- 70% of all milestone- and royalty-based payments actually received by the Company or its affiliates under the GSK Agreement related to the existing program (GSK4381562);
- 70% of all milestone- and royalty-based payments actually received by the Company or its affiliates under the Novartis Agreement related to the existing program (NZV930);
- 25% of any upfront payment actually received by the Company or its affiliates pursuant to potential ex-U.S. licensing agreements for CHS-114; and

- 50% of any upfront payment actually received by the Company or its affiliates pursuant to potential ex-U.S. licensing agreements for casdozokitug.

The Company has recorded a contingent consideration liability for the fair value of the potential payments under the CVR Agreement described above. The Company is unable to estimate a range of outcomes for potential royalty and milestone payments for CHS-114 and casdozokitug.

The total consideration paid for the Surface Acquisition of $64.6 million consisted of the following:

(in thousands, except share and per share amounts)	As of Acquisition Date
Coherus common stock issued	11,971,460
Coherus common stock share price	$ 4.89
Fair value of components of purchase price consideration at closing:	
Equity of combined company owned by Surface equity holders	$ 58,540
Contingent CVR liability	5,290
Equity of combined company owned by Surface former employees [(1)]	766
Fair value of total purchase consideration	$ 64,596

(1) Represents 161,100 shares of Coherus common stock, net of shares withheld for taxes, issued to Surface's former employees on the Acquisition Date.

The Company has accounted for the Surface Acquisition as a business combination which requires, among other things, that the assets acquired and liabilities assumed generally be recognized at their fair value on the Acquisition Date. Fair value estimates are based on management's estimated future cash flows from revenues of acquired assets, the timing and projection of costs and expenses and the related profit margins, tax rates, and discount rate. The judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the Company's results of operations. The purchase price allocation for the Surface Acquisition is preliminary and subject to revisions as additional information about fair value of assets and liabilities becomes available. This is primarily related to the Company's deferred tax liabilities assumed in connection with the Surface Acquisition, as the 2023 short period tax returns have not yet been filed. The following table below sets forth the purchase price allocation to the estimated fair value of the net assets acquired:

(in thousands)	Amounts Recognized at Acquisition Date
Assets Acquired	
Cash and cash equivalents	$ 6,997
Investments in marketable securities	21,791
Other prepaids and other assets	5,260
In-process research and development	26,239
Out-licenses	13,530
Total assets	$ 73,817
Liabilities Assumed	
Accrued and other current liabilities	$ 7,722
Deferred tax liability	1,499
Total liabilities	9,221
Total net assets acquired	$ 64,596

The Company believes that, even after reassessing its identification of all assets acquired and liabilities assumed, it was able to acquire Surface for a price that was completely allocable to identifiable assets acquired and liabilities assumed with no residual attributable to goodwill primarily due to Surface's need to raise additional capital to finance its operations, the challenging biotech funding environment at the time the transaction was initially announced, and the value of the acquired net assets.

The amount allocated to identifiable intangible assets has been attributed to the following assets:

(in thousands)	Useful lives	Fair Value at Acquisition Date
In-process research and development - casdozokitug	n/a	$ 25,899
In-process research and development - CHS-114	n/a	340
Out-license - GSK	15 years	2,506
Out-license - Novartis Institutes	15 years	11,024
Total identifiable intangible assets		$ 39,769

Surface had two out-licensed partnership programs, with Novartis Institutes (NZV930) and GSK (GSK4381562), to advance certain next-generation cancer therapies. The out-license intangible assets represent potential milestone and royalty-based payments to be received in the future. Surface shareholders received CVRs for certain percentages of these milestone and royalty-based payments on existing programs with Novartis Institutes (NZV930) and GSK (GSK4381562), as further explained above.

Following the Acquisition Date, the operating results of Surface have been included in the consolidated financial statements. For the period September 8, 2023 through December 31, 2023, there was no revenue attributable to Surface and operating losses attributable to Surface for such period were $5.9 million, excluding acquisition-related costs.

Unaudited Pro Forma Summary of Operations

The following table shows the unaudited pro forma summary of operations for the years ended December 31, 2023 and 2022, as if the Surface Acquisition had occurred on January 1, 2022. This pro forma information does not purport to represent what the Company's actual results would have been if the acquisition had occurred as of January 1, 2022, and it is not indicative of what such results would be expected for any future period:

	Year Ended December 31,	
(in thousands)	2023	2022
Total revenues	$ 257,244	$ 241,042
Net loss	$ (284,575)	$ (369,442)

The unaudited pro forma financial information was prepared using the acquisition method of accounting and was based on the historical financial information of the Company and Surface. In order to reflect the Surface Acquisition as if it had occurred on January 1, 2022, the summary pro forma financial information includes adjustments to reflect Surface's severance expense, the early termination and related amortization expense of Surface's corporate headquarters operating lease, the loss on debt extinguishment and historical interest expense related to the cash settlement of Surface's convertible note as if it had occurred on January 1, 2022, and amortization expense on the acquired finite-lived intangible assets. The unaudited pro forma summary of operations does not reflect the income tax effects, if any, of the pro forma adjustments, given the combined entity incurred significant losses during the historical periods presented.

Acquisition-related costs of $5.1 million were recorded in selling, general and administrative expense in the consolidated statements of operations during the year ended December 31, 2023.

7. Collaborations and Other Arrangements

In-Licensing Agreements

Junshi Biosciences

On February 1, 2021, the Company entered into the Collaboration Agreement with Junshi Biosciences for the co-development and commercialization of LOQTORZI, Junshi Biosciences' anti-PD-1 antibody, in the United States and Canada.

Under the terms of the Collaboration Agreement, the Company paid $150.0 million upfront for exclusive rights to LOQTORZI in the United States and Canada, an option in these territories to Junshi Biosciences' anti-TIGIT antibody CHS-006, an option in these territories to a next-generation engineered IL-2 cytokine, and certain negotiation rights to two undisclosed preclinical immuno-oncology drug candidates. The Company will have the right to conduct all commercial activities of LOQTORZI in the United States and Canada. The

Company will be obligated to pay Junshi Biosciences up to a 20% royalty on net sales of LOQTORZI and up to an aggregate $380.0 million in one-time payments for the achievement of various regulatory and sales milestones.

In March 2022, the Company paid $35.0 million for the exercise of its option to license CHS-006. Junshi Biosciences and the Company were jointly developing CHS-006 with each party responsible for the associated development costs as set forth in the Collaboration Agreement, however on January 10, 2024, the Company announced that it had delivered a notice of termination of the TIGIT Program (as defined in the Collaboration Agreement) to Junshi Biosciences pursuant to the Collaboration Agreement. The Company plans to continue to wind down work with Junshi Biosciences on the TIGIT Program pursuant to the termination. If the Company exercises its remaining option for the IL-2 cytokine, it will be obligated to pay Junshi Biosciences an additional option exercise fee of $35.0 million and an 18% royalty on net sales, up to $85.0 million for the achievement of certain regulatory approvals, and up to $170.0 million for the attainment of certain sales thresholds. Under the Collaboration Agreement, the Company retains the right to collaborate in the development of LOQTORZI and the other licensed compounds and will pay for a portion of these co-development activities up to a maximum of $25.0 million per licensed compound per year. Additionally, the Company is responsible for certain associated regulatory and technology transfer costs for LOQTORZI and other licensed compounds and will reimburse Junshi Biosciences for such costs.

The licensing transaction and the exercise of the option were accounted for as asset acquisitions under the relevant accounting rules. Research and development expenses recognized for obligations to Junshi Biosciences were $8.0 million, $68.5 million (inclusive of the $35.0 million option fee) and $175.4 million (inclusive of the upfront fee) in 2023, 2022, and 2021 respectively. In the consolidated balance sheets as of December 31, 2023 and 2022, the Company classified $26.3 million and $8.4 million, respectively, in accrued and other current liabilities and $6.3 million and $0 in accounts payable, respectively, related to the co-development, regulatory and technology transfer costs related to these programs.

On October 27, 2023, LOQTORZI was approved by the FDA in combination with cisplatin and gemcitabine for the first-line treatment of adults with metastatic or recurrent locally advanced NPC, and as monotherapy for the treatment of adults with recurrent, unresectable, or metastatic NPC with disease progression on or after platinum-containing chemotherapy. As of December 31, 2023, the Company has accrued a $25.0 million milestone payment to Junshi Biosciences, of which it expects to pay $12.5 million in the second quarter of 2024 and $12.5 million in the first quarter of 2025. This amount is a non-cash transaction which the Company has recognized in intangible assets, net and accrued and other current liabilities as of December 31, 2023. The accrued royalty obligation to Junshi Biosciences is immaterial as of December 31, 2023. The additional milestone payments, option fee for the IL-2 cytokine and royalties are contingent upon future events and, therefore, will be recorded if and when it becomes probable that a milestone will be achieved, or when an option fee or royalties are incurred.

In connection with the Collaboration Agreement, the Company entered into a stock purchase agreement dated February 1, 2021 (the "Stock Purchase Agreement") with Junshi Biosciences agreeing, subject to customary conditions, to acquire certain equity interests in the Company. Pursuant to the Stock Purchase Agreement, on April 16, 2021, the Company issued 2,491,988 unregistered shares of its common stock to Junshi Biosciences, at a price per share of $20.06, for an aggregate amount of approximately $50.0 million in cash. Under the terms of the Stock Purchase Agreement, Junshi Biosciences was not permitted to sell, transfer, make any short sale of, or grant any option for the sale of the common stock for the two-year period following its effective date. The Collaboration Agreement and the Stock Purchase Agreement were negotiated concurrently and were therefore evaluated as a single agreement. The Company used the "Finnerty" and "Asian put" valuation models and determined the fair value for the discount for lack of marketability ("DLOM") was $9.0 million at the date the shares were issued. The fair value of the DLOM was attributable to the Collaboration Agreement and was included as an offset against the research and development expense in the consolidated statements of operations for the year ended December 31, 2021.

Bioeq

On November 4, 2019, the Company entered into the Bioeq Agreement with Bioeq for the commercialization of a biosimilar version of ranibizumab (Lucentis) in certain dosage forms in both a vial and pre-filled syringe presentation. Under this agreement, Bioeq granted to the Company an exclusive, royalty-bearing license to commercialize the Bioeq Licensed Products in the field of ophthalmology (and any other approved labelled indication) in the United States. Bioeq will supply to the Company the Bioeq Licensed Products in accordance with terms and conditions specified in the agreement and a manufacturing and supply agreement to be executed by the parties in accordance therewith. The agreement's initial term continues in effect for ten years after the first commercial sale of a Bioeq Licensed Product in the United States, and thereafter renews for an unlimited period of time unless otherwise terminated in accordance with its terms.

Bioeq will manufacture and supply the Bioeq Licensed Products to the Company in accordance with terms and conditions specified in the Bioeq Agreement and the Bioeq Manufacturing Agreement and will remain in force until the first to occur of the following: (1) the

termination of the Bioeq Agreement; (2) the exercise of a right to termination by the Company or Bioeq for a material breach of the other party that is not cured in accordance with the Bioeq Manufacturing Agreement; and (3) the exercise of a right to termination by Bioeq if invoices are not paid in full in accordance with the Bioeq Manufacturing Agreement.

Under the agreement, Bioeq was required to use commercially reasonable efforts to develop and obtain regulatory approval of the Bioeq Licensed Products in the United States in accordance with a development and manufacturing plan, and the Company was required to use commercially reasonable efforts to commercialize the Bioeq Licensed Products in accordance with a commercialization plan. Additionally, the Company was required to commit certain pre-launch and post-launch resources to the commercialization of the Bioeq Licensed Products for a limited time as specified in the agreement.

The Company accounted for the licensing transaction as an asset acquisition under the relevant accounting rules. The Company paid Bioeq an upfront and a milestone payment aggregating to €10 million ($11.1 million), which was recorded as research and development expense in the Company's consolidated statements of operations in 2019. The terms of the Bioeq Agreement include an aggregate of up to €12.5 million in additional milestone payments in connection with the achievement of certain development and regulatory milestones with respect to the Bioeq Licensed Products in the United States including a €2.5 million milestone related to the FDA approval of the CIMERLI Section 351(k) BLA that was paid in 2022. The Company shares a percentage of gross profits on sales of Bioeq Licensed Products in the United States with Bioeq in the low- to mid-fifty percent range. Royalties due to Bioeq were $38.4 million and $2.9 million as of December 31, 2023 and 2022, respectively. The remaining milestone payments are contingent upon future events and, therefore, will be recorded when it becomes probable that a milestone will be achieved.

Adimab Development and Option Agreement

In October 2018, Surface and Adimab entered into the A&R Adimab Agreement, which amended and restated the Original Adimab Agreement, for the discovery and optimization of proprietary antibodies as potential therapeutic product candidates. Under the A&R Adimab Agreement, the Company will select biological targets against which Adimab will use its proprietary platform technology to research and develop antibody proteins using a mutually agreed upon research plan. The A&R Adimab Agreement, among other things, extended the discovery term of the Original Adimab Agreement, provided access to additional antibodies, and expanded the Company's right to evaluate and use antibodies that were modified or derived using Adimab technology for diagnostic purposes.

Upon the Company's selection of a target, the Company and Adimab will initiate a research plan and the discovery term begins. During the discovery term, Adimab will grant the Company a non-exclusive, non-sublicensable license under its technology with respect to the target, to research, design and preclinically develop and use antibodies that were modified or derived using Adimab technology, solely to evaluate such antibodies, perform the Company's responsibilities under the research plan, and use such antibodies for certain diagnostic purposes. The Company also will grant to Adimab a non-exclusive, nontransferable license with respect to the target under the Company's technology that covers or relates to such target, solely to perform its responsibilities under the research plan during the discovery period. The Company is required to pay Adimab at an agreed upon rate for its full-time employees during the discovery period while Adimab performs research on each target under the applicable research plan.

Adimab granted the Company the Research Option. In addition, Adimab granted the Company the Commercialization Option. Upon the exercise of a Commercialization Option, and payment of the applicable option fee to Adimab, Adimab will assign the Company the patents that cover the antibodies selected by such Commercialization Option. The Company will be required to use commercially reasonable efforts to develop, seek market approval of, and commercialize at least one antibody against the target covered by the Commercialization Option in specified markets upon the exercise of a Commercialization Option.

Under the A&R Adimab Agreement, the Company is obligated to make milestone payments and to pay specified fees upon the exercise of the Research Option or Commercialization Option. During the discovery term, the Company may be obligated to pay Adimab up to $0.3 million for technical milestones achieved against each biological target. Upon exercise of a Research Option, the Company is obligated to pay a nominal research maintenance fee on each of the next four anniversaries of the exercise. Upon the exercise of each Commercialization Option, the Company will be required to pay an option exercise fee of a low seven-digit dollar amount, and the Company may be responsible for milestone payments of up to an aggregate of $13.0 million for each licensed product that receives marketing approval. For any licensed product that is commercialized, the Company is obligated to pay Adimab tiered royalties of a low to mid single-digit percentage on worldwide net sales of such product. The Company may also partially exercise a Commercialization Option with respect to ten antibodies against a biological target by paying 65% of the option fee and later either (i) paying the balance and choosing additional antibodies for commercialization, up to the maximum number under the Commercialization Option, or (ii) foregoing the Commercialization Option entirely. For any Adimab diagnostic product that is used with or in connection with any compound or product other than a licensed antibody or licensed product, the Company is obligated to pay Adimab up to a low seven digits in regulatory milestone payments and low

single-digit royalties on net sales. No additional payment is due with respect to any companion diagnostic or any diagnostic product that does not contain any licensed antibody. Any payments payable to Adimab as a result of any product candidates being developed pursuant to the GSK Agreement, will be payable to Adimab directly by GSK.

The A&R Adimab Agreement will remain in effect until (a) the earlier of (i) the expiration of the Research and Commercialization Options (if they expire without exercise) and (ii) 12 months from the effective date without the Company providing materials that pass Adimab's quality control; or (b) if a Research Option is exercised but the Commercialization Option is not, then upon the expiration of the last to expire research license term; or (c) upon commercialization of a product, until the end of the royalty term, which will vary on a product-by-product and country-by-country basis, ending on the later of (y) the expiration of the last valid claim covering the licensed product in such country as the product is manufactured or sold, or (z) ten years after the first commercial sale of the licensed product in such country.

Either party may terminate the A&R Adimab Agreement for material breach if such breach remains uncured for a specified period of time, however, if a Research Option or Commercialization Option has been exercised and the breach only applies to the applicable target of such Research Option or Commercialization Option, then the termination right will only apply to such target. The Company may also terminate the A&R Adimab Agreement for any reason with prior notice to Adimab. If Adimab is bankrupt, the Company will be entitled to a complete duplicate of, or complete access to, all rights and licenses granted under or pursuant to the A&R Adimab Agreement.

Vaccinex License Agreement

On March 23, 2021, Surface and Vaccinex entered into the Vaccinex License Agreement which provides the Company a worldwide, exclusive, sublicensable license to make, have made, use, sell, offer to sell, have sold, import, and otherwise exploit Vaccinex Licensed Products, including the antibody CHS-114 targeting CCR8. Under the Vaccinex License Agreement, the Company is obligated to use commercially reasonable efforts to develop, clinically test, achieve regulatory approval, manufacture, market and commercialize at least one Vaccinex Licensed Product.

The Company is responsible for all costs and expenses of such development, manufacturing and commercialization. Vaccinex is eligible to receive up to an aggregate of $3.5 million based on achievement of certain clinical milestones, up to an aggregate of $11.5 million based on achievement of certain regulatory milestones per Vaccinex Licensed Product, and low single-digit royalties on global net sales of any approved licensed products.

The Company may terminate the Vaccinex License Agreement for convenience upon the notice period specified in the Vaccinex License Agreement. Either party may terminate the agreement for an uncured material breach by the other party. Vaccinex may terminate the Vaccinex License Agreement if we default on any payments owed to Vaccinex under the agreement, if the Company is in material breach of, and fails to cure, its development obligations, or institute certain actions related to the licensed patents. In the event of termination, all rights in the licensed intellectual property would revert to Vaccinex.

Out-Licensing Agreements Acquired as part of the Surface Acquisition

On September 8, 2023, at the closing of the Surface Acquisition, all the assets, liabilities, rights and obligations of Surface were assumed by the Company's direct, wholly-owned subsidiary, Surface Oncology, LLC. See further details in Note 6. Surface Acquisition above.

Novartis Institutes

In January 2016, Surface entered into the Novartis Agreement. Pursuant to the Novartis Agreement, Surface granted Novartis Institutes a worldwide exclusive license to research, develop, manufacture and commercialize antibodies that target cluster of differentiation 73 ("CD73"). Under the Novartis Agreement, the Company is currently entitled to potential development milestones of $325.0 million and sales milestones of $200.0 million, as well as tiered royalties on annual net sales by Novartis Institutes ranging from high single-digit to mid-teens percentages upon the successful commercialization of NZV930. Due to the uncertainty of pharmaceutical development and the historical failure rates generally associated with drug development, the Company may not receive any milestone payments or any royalty payments under the Novartis Agreement. The Company did not recognize any revenue relating to the Novartis Agreement from September 8, 2023 through December 31, 2023.

Unless terminated earlier, the Novartis Agreement will continue in effect until neither the Company nor Novartis Institutes is researching, developing, manufacturing or commercializing NZV930. Novartis Institutes may terminate the Novartis Agreement for any or

no reason upon prior notice to the Company within a specified time period. Either party may terminate the Novartis Agreement in full if an undisputed material breach is not cured within a certain period of time or upon notice of insolvency of the other party. To the extent Novartis Institutes terminates for convenience, or the Company terminates for Novartis Institutes' uncured material breach, Novartis Institutes will grant the Company, on mutually agreeable financial terms, an exclusive, worldwide, irrevocable, perpetual and royalty-bearing license with respect to intellectual property controlled by Novartis Institutes that is reasonably necessary to research, develop, manufacture or commercialize NZV930.

GSK Agreement

In December 2020, Surface entered into the GSK Agreement. Pursuant to the GSK Agreement, Surface granted GSK a worldwide exclusive, sublicensable license to develop, manufacture and commercialize the Licensed Antibodies. GSK is responsible for the development, manufacturing and commercialization of the Licensed Antibodies and a joint development committee was formed to facilitate information sharing. GSK is responsible for all costs and expenses of such development, manufacturing and commercialization and is obligated to provide the Company with updates on its development, manufacturing and commercialization activities through the joint development committee. In March 2022, Surface earned a $30.0 million milestone payment from GSK upon the dosing of the first patient in the Phase 1 trial of GSK4381562. The Company is eligible to receive up to $60.0 million in additional clinical milestones and $155.0 million in regulatory milestones. In addition, the Company may receive up to $485.0 million in sales milestone payments. The Company is also eligible to receive royalties on global net sales of any approved products based on the Licensed Antibodies, ranging in percentages from high single digits to mid-teens. Due to the uncertainty of pharmaceutical development and the historical failure rates generally associated with drug development, the Company may not receive any milestone payments or any royalty payments under the GSK Agreement. The Company did not recognize license-related revenue under the GSK Agreement from September 8, 2023 through December 31, 2023.

Unless terminated earlier, the GSK Agreement expires on a licensed product-by-licensed product and country-by-country basis on the later of ten years from the date of first commercial sale or when there is no longer a valid patent claim or regulatory exclusivity covering such licensed product in such country. Either party may terminate the GSK Agreement for an uncured material breach by the other party or upon the bankruptcy or insolvency of the other party. GSK may terminate the GSK Agreement for its convenience. The Company may terminate the GSK Agreement if GSK institutes certain actions related to the licensed patents or if GSK ceases development activities, other than for certain specified technical or safety reasons. In the event of termination, the Company would regain worldwide rights to the terminated program.

8. Debt Obligations

A summary of the Company's debt obligations, including level within the fair value hierarchy (see Note 3. Fair Value Measurements), is as follows:

	At December 31, 2023				
(in thousands)	Principal Amount	Unamortized Debt Discount and Debt Issuance Costs	Net Carrying Value	Estimated Fair Value	Level
Financial Liabilities:					
2027 Term Loans	$ 250,000	$ (3,519)	$ 246,481	$ 246,481	Level 2*
2026 Convertible Notes	$ 230,000	$ (3,112)	$ 226,888	$ 150,155	Level 2**

	At December 31, 2022				
(in thousands)	Principal Amount	Unamortized Debt Discount and Debt Issuance Costs	Net Carrying Value	Estimated Fair Value	Level
Financial Liabilities:					
2027 Term Loans	$ 250,000	$ (4,517)	$ 245,483	$ 245,483	Level 2*
2026 Convertible Notes	$ 230,000	$ (4,425)	$ 225,575	$ 157,205	Level 2**

* The principal amounts outstanding are subject to variable interest rates, which are based on three-month SOFR starting April 1, 2023 plus fixed percentages. Through March 31, 2023, the variable component was based on the three-month LIBOR. Therefore, the Company believes the carrying amount of these obligations approximates fair value.

** The fair value is influenced by interest rates, the Company's stock price and stock price volatility and is determined by prices observed in market trading. Since the market for trading of the 2026 Convertible Notes is not considered to be an active market, the estimated fair value is based on Level 2 inputs.

2027 Term Loans

The Company entered into the Loan Agreement with BioPharma Credit, PLC, BPCR Limited Partnership, and Biopharma Credit Investments V (Master) LP, acting by its general partner, BioPharma Credit Investments V GP LLC that provides for a senior secured term loan facility of up to $300.0 million to be funded in four committed tranches: (i) the Tranche A Loan in an aggregate principal amount of $100.0 million that was funded on January 5, 2022; (ii) the Tranche B Loan in an aggregate principal amount of $100.0 million that was funded on March 31, 2022; (iii) the Tranche C Loan in an aggregate principal amount of $50.0 million that was not funded; and (iv) the Tranche D Loan in an aggregate principal amount of $50.0 million that was funded on September 14, 2022. The Company has the right to request an uncommitted additional facility amount of up to $100.0 million that is subject to new terms and conditions.

The 2027 Term Loans mature on either (i) the fifth anniversary of the Tranche A Closing Date; or (ii) October 15, 2025, if the outstanding aggregate principal amount of the Company's 2026 Convertible Notes is greater than $50.0 million on October 1, 2025. The 2027 Term Loans accrued interest from inception through March 31, 2023 at 8.25% plus three-month LIBOR per annum with a LIBOR floor of 1.0%; and starting April 1, 2023, accrue interest at 8.25% plus the Adjusted Term SOFR which is the sum of three-month SOFR and 0.26161% per annum, with a floor on Adjusted Term SOFR of 1.0%. The interest rate for the fourth quarter of 2023 was 13.91%. Interest is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. Repayment of outstanding principal of the 2027 Term Loans will be made in five equal quarterly payments of principal commencing March 31, 2026.

The Company adopted the prospective method to account for future cash payments. Under the prospective method, the effective interest rate is not constant, and any change in the expected cash flows is recognized prospectively as an adjustment to the effective yield.

The obligations under the Loan Agreement are secured pursuant to customary security documentation, including a guaranty and security agreement among the Credit Parties and the Collateral Agent which provides for a lien on substantially all of the Company's tangible and intangible assets and property, including intellectual property.

Pursuant to the Loan Agreement, and subject to certain restrictions, proceeds of the 2027 Term Loans were used to fund the Company's general corporate and working capital requirements except for the following: in January 2022, proceeds of the Tranche A Loan were used to repay in full all amounts outstanding under the 2025 Term Loan, as well as all associated costs and expenses pursuant to which a payoff amount of $81.9 million was outstanding; in March 2022, proceeds of the Tranche B Loan were drawn in connection with the full repayment of all amounts outstanding under the 2022 Convertible Notes, as well as all associated costs and expenses pursuant to which a payoff amount of $111.1 million was outstanding.

The Loan Agreement contains certain customary representations and warranties. In addition, the Loan Agreement includes covenants, such as the requirement to maintain minimum trailing twelve-month net sales in an amount that began at $200.0 million for the quarter ending March 31, 2022 and increases to $210.0 million for the quarter ended March 31, 2024. As a result of the Consent and Amendment entered into on February 5, 2024, beginning in the second quarter of 2024 and continuing through the quarter ended December 31, 2026, the requirement is to maintain minimum trailing twelve-month net sales of $125.0 million. In addition, there is a requirement to maintain a minimum trailing twelve-month net sales for LOQTORZI tested quarterly at the end of each quarter commencing with the quarter ended December 31, 2024. Further, the Loan Agreement includes certain other affirmative covenants and negative covenants, including, covenants and restrictions that among other things, restrict the Company's ability to incur liens, incur additional indebtedness, make investments, engage in certain mergers and acquisitions or asset sales, and declare dividends or redeem or repurchase capital stock. The Loan Agreement also contains customary events of default, including among other things, the Company's failure to make any principal or interest payments when due, the occurrence of certain bankruptcy or insolvency events or its breach of the covenants under the Loan Agreement. Upon the occurrence of an event of default, the Lenders may, among other things, accelerate the Company's obligations under the Loan Agreement. A change of control of the Company triggers a mandatory prepayment of the 2027 Term Loans within ten business days. See Note 17. Subsequent Events for further information regarding the Consent and Amendment to the 2027 Term Loans.

As of December 31, 2023, the Company was in full compliance with these covenants and there were no events of default under the 2027 Term Loans.

In connection with the closing of Tranche A, the Company incurred $7.8 million in debt discounts and issuance costs of which $6.8 million related to all the tranches of the 2027 Term Loans and was thus allocated pro rata between the tranches. The unamortized debt

discount and issuance costs allocated to funded tranches are presented as deductions to the 2027 Term Loan balance and are amortized into interest expense using the effective interest method. The $2.3 million allocated to Tranche B was fully amortized over the commitment period prior to funding and recognized as interest expense in the first quarter of 2022. The associated debt discounts and issuance costs of unfunded tranches were deferred as assets and amortized into interest expense using the straight-line method over the commitment period of the respective tranches. At the closing dates of Tranche B on March 31, 2022 and Tranche D on September 14, 2022, the Company incurred an additional $1.0 million and $0.5 million, respectively, in debt issuance costs. As of December 31, 2023, the total remaining unamortized debt discount and debt offering costs related to Tranches A, B and D of $3.5 million will be amortized using the effective interest rate over the remaining term of 3.0 years.

The following table presents the components of interest expense related to the 2027 Term Loans:

	Year Ended December 31,	
(in thousands)	2023	2022
Contractual interest	$ 34,289	$ 20,243
Amortization of debt discount and debt issuance costs	1,094	4,550
Total interest expense	$ 35,383	$ 24,793

Assuming the fourth quarter of 2023 interest rate of 13.91%, future payments on the 2027 Term Loans as of December 31, 2023, are as follows:

Year ending December 31, (in thousands)	
2024 - interest only	$ 35,345
2025 - interest only	35,248
2026 - principal and interest	224,607
2027 - principal and interest	50,097
Total minimum payments	345,297
Less amount representing interest	(95,297)
2027 Term Loans, gross	250,000
Less unamortized debt discount and debt issuance costs	(3,519)
Net carrying amount of 2027 Term Loans	$ 246,481

The table above does not reflect any adjustment for transactions contemplated by the Consent and Amendment entered into on February 5, 2024, including any prepayments to the 2027 Term Loans.

1.5% Convertible Senior Subordinated Notes due 2026

In April 2020, the Company issued and sold $230.0 million aggregate principal amount of its 2026 Convertible Notes in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The net proceeds from the offering were $222.2 million after deducting initial purchasers' fees and offering expenses. The 2026 Convertible Notes are general unsecured obligations and will be subordinated to the Company's designated senior indebtedness (as defined in the indenture for the 2026 Convertible Notes) and structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables. The 2026 Convertible Notes accrue interest at a rate of 1.5% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, since October 15, 2020, and will mature on April 15, 2026, unless earlier repurchased or converted.

At any time before the close of business on the second scheduled trading day immediately before the maturity date, noteholders may convert their 2026 Convertible Notes at their option into shares of the Company's common stock, together, if applicable, with cash in lieu of any fractional share, at the then-applicable conversion rate. The initial conversion rate is 51.9224 shares of common stock per $1,000 principal amount of the 2026 Convertible Notes, which represents an initial conversion price of approximately $19.26 per share of common stock. The initial conversion price represents a premium of approximately 30.0% over the last reported sale of $14.82 per share of the Company's common stock on the Nasdaq Global Market on April 14, 2020, the date the 2026 Convertible Notes were issued. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. If a "make-whole fundamental change" (as defined in the indenture for the 2026 Convertible Notes) occurs, the Company will, in certain circumstances, increase the conversion rate for a specified period of time for noteholders who convert their 2026 Convertible Notes in connection with that make-whole fundamental change. The 2026 Convertible Notes are not redeemable at the Company's election before maturity. If a "fundamental change" (as defined in the indenture for the 2026 Convertible Notes) occurs, then, subject to a limited exception,

noteholders may require the Company to repurchase their 2026 Convertible Notes for cash. The repurchase price will be equal to the principal amount of the 2026 Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the applicable repurchase date.

The 2026 Convertible Notes have customary provisions relating to the occurrence of "events of default" (as defined in the Indenture for the 2026 Convertible Notes). The occurrence of such events of default could result in the acceleration of all amounts due under the 2026 Convertible Notes.

As of December 31, 2023, the Company was in full compliance with these covenants, and there were no events of default under the 2026 Convertible Notes.

The Company evaluated the features embedded in the 2026 Convertible Notes under the relevant accounting rules and concluded that the embedded features do not meet the requirements for bifurcation, and therefore do not need to be separately accounted for as an equity component. The proceeds received from the issuance of the convertible debt were recorded as a liability in the consolidated balance sheets.

Capped Call Transactions

In connection with the pricing of the 2026 Convertible Notes, the Company paid $18.2 million to enter into privately negotiated capped call transactions with one or a combination of the initial purchasers, their respective affiliates and other financial institutions. The capped call transactions are generally expected to reduce the potential dilution upon conversion of the 2026 Convertible Notes in the event that the market price per share of the Company's common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions, which initially corresponds to the conversion price of the 2026 Convertible Notes, and is subject to anti-dilution adjustments generally similar to those applicable to the conversion rate of the 2026 Convertible Notes. Since inception, the cap price has been $25.93 per share, which represents a premium of approximately 75.0% over the last reported sale price of the Company's common stock of $14.82 per share on April 14, 2020, and is subject to certain adjustments under the terms of the capped call transactions.

The capped call transactions are accounted for as separate transactions from the 2026 Convertible Notes and classified as equity instruments. Therefore, the total $18.2 million capped call premium paid was recorded as a reduction to additional paid-in capital in the consolidated balance sheets in 2020. The capped calls will not be subsequently re-measured as long as the conditions for equity classification continue to be met.

The Company incurred $0.9 million of debt issuance costs relating to the issuance of the 2026 Convertible Notes, which were recorded as a reduction to the notes in the consolidated balance sheet. The debt issuance costs are being amortized and recognized as additional interest expense over the six-year contractual term of the notes using the effective interest rate method.

If the 2026 Convertible Notes were converted on December 31, 2023, the holders of the 2026 Convertible Notes would have received common shares with an aggregate value of $39.8 million based on the Company's closing stock price of $3.33 as of December 29, 2023.

The following table presents the components of interest expense related to 2026 Convertible Notes:

	Year Ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Stated coupon interest	$ 3,450	$ 3,450	$ 3,450
Amortization of debt discount and debt issuance costs	1,313	1,286	1,259
Total interest expense	$ 4,763	$ 4,736	$ 4,709

The remaining unamortized debt discount and debt offering costs related to the Company's 2026 Convertible Notes of $3.1 million as of December 31, 2023, will be amortized using the effective interest rate over the remaining term of the 2026 Convertible Notes. The annual effective interest rate is 2.1% for the 2026 Convertible Notes.

Future payments on the 2026 Convertible Notes as of December 31, 2023 are as follows:

Year ending December 31, (in thousands)	
2024 - interest only	$ 3,450
2025 - interest only	3,450
2026 - principal and interest	231,725
Total minimum payments	238,625
Less amount representing interest	(8,625)
2026 Convertible Notes, principal amount	230,000
Less unamortized debt discount and debt issuance costs	(3,112)
Net carrying amount of 2026 Convertible Notes	$ 226,888

8.2% Convertible Notes due 2022

On February 29, 2016, the Company issued and sold $100.0 million aggregate principal amount of its 8.2% Convertible Senior Notes due 2022. The 2022 Convertible Notes constituted general, senior unsubordinated obligations of the Company and were guaranteed by certain subsidiaries of the Company, bore interest at a fixed coupon rate of 8.2% per annum payable quarterly and matured on March 31, 2022. In March 2022, the Company fully repaid the 2022 Convertible Notes, and as a result had no continuing obligations associated with them thereafter. The payoff amount of $111.1 million included the repayment of the entire outstanding principal amount, the 9.0% premium of the outstanding principal amount and accrued and unpaid interest.

The 2022 Convertible Notes were issued to Healthcare Royalty Partners III, L.P., for $75.0 million in aggregate principal amount, and to three related party investors, KKR Biosimilar L.P., MX II Associates LLC, and KMG Capital Partners, LLC, for $20.0 million, $4.0 million, and $1.0 million, respectively, in aggregate principal amount.

The following table presents the components of interest expense of the 2022 Convertible Notes:

	Year Ended December 31,	
(in thousands)	2022	2021
Stated coupon interest	$ 2,050	$ 8,200
Amortization of debt discount and debt issuance costs	521	1,966
Total interest expense	$ 2,571	$ 10,166

2025 Term Loan

On January 7, 2019, the Company entered into the 2025 Term Loan with affiliates of Healthcare Royalty Partners (together, the "Lender"). The 2025 Term Loan consisted of a six-year term loan facility for an aggregate principal amount of $75.0 million (the "Borrowings"). Starting January 1, 2020, the Borrowings under the 2025 Term Loan bore interest at 6.75% per annum plus three month LIBOR. Interest was payable quarterly in arrears.

Pursuant to the terms of the 2025 Term Loan, the Company was required to begin paying principal on the Borrowings in equal quarterly installments beginning on January 7, 2022, with the outstanding balance to be repaid on January 7, 2025, the maturity date. In January 2022, pursuant to the Company entering into the 2027 Term Loans, the Company voluntarily prepaid all amounts outstanding under the 2025 Term Loan. The payoff amount of $81.9 million included principal repayment in full, accrued interest, a 5.0% prepayment premium fee of the Borrowings principal amount, and an exit fee of 4.0% of the Borrowings principal amount. The prepayment premium fee and unamortized exit fee, debt discount and debt issuance costs, net from the 2025 Term Loan totaled $6.2 million and was recorded in loss on debt extinguishment in the consolidated statements of operations for 2022.

The following table presents the components of interest expense of the 2025 Term Loan:

	Year Ended December 31,	
(in thousands)	2022	2021
Stated coupon interest	$ 154	$ 7,034
Amortization of debt discount and debt issuance costs	16	1,032
Total interest expense	$ 170	$ 8,066

9. Commitments and Contingencies

Purchase Commitments

The Company entered into agreements with certain vendors to secure raw materials and certain CMOs to manufacture its supply of products. As of December 31, 2023, the Company's non-cancelable purchase commitments under the terms of its agreements are as follows:

Year ending December 31, (in thousands)		
2024	$	52,514
2025		19,154
2026		1,410
Total obligations	$	73,078

As of December 31, 2023, total obligations excludes certain purchase commitments that were assumed by Sandoz upon their acquisition of the Company's CIMERLI ophthalmology franchise (see Note 17. Subsequent Events). The Company enters into contracts in the normal course of business with contract research organizations for preclinical studies and clinical trials and CMOs for the manufacture of clinical trial materials. The contracts are cancellable, with varying provisions regarding termination. If a contract with a specific vendor were to be terminated, the Company would generally only be obligated for products or services that the Company had received as of the effective date of the termination and any applicable cancellation fees.

Guarantees and Indemnifications

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future but have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations. The Company assesses the likelihood of any adverse judgments or related claims, as well as ranges of probable losses. In the cases where the Company believes that a reasonably possible or probable loss exists, it will disclose the facts and circumstances of the claims, including an estimate range, if possible.

Legal Proceedings and Other Claims

The Company is a party to various legal proceedings and claims that arise in the ordinary, routine course of business and that have not been fully resolved. The outcome of such legal proceedings and claims is inherently uncertain. Accruals are recognized for such legal proceedings and claims to the extent that a loss is both probable and reasonably estimable. The best estimate of a loss within a range is accrued; however, if no estimate in the range is better than any other, then the minimum amount in the range is accrued. If it's determined that a material loss is reasonably possible and the loss or range of loss can be estimated, the possible loss is disclosed. Sometimes it is not possible to determine the outcome of these matters or, unless otherwise noted, the outcome (including in excess of any accrual) is not expected to be material, and the maximum potential exposure or the range of possible loss cannot be reasonably estimated. As of December 31, 2023 and 2022, the Company had an accrual of $6.4 million and $4.7 million, respectively, related to such matters that was included in accrued rebates, fees and reserves in the consolidated balance sheets.

In late April of 2022, the Company received a demand letter from Zinc Health Services, LLC ("Zinc") asserting that Zinc was entitled to approximately $14.0 million from the Company for claims related to certain sales of UDENYCA from October 2020 through December 2021. The Company is continuing to evaluate the claims in the letter. No legal proceeding has been filed in connection with the claims in the letter and based on currently available information the final resolution of the matter is uncertain. The Company intends to defend any legal proceeding that may be filed. The Company established an accrual as of December 31, 2023 that represented its estimated liability to resolve the matter. Loss contingencies are inherently unpredictable, the assessment is highly subjective and requires judgments about future events and unfavorable developments or resolutions can occur. The Company regularly reviews litigation matters to determine whether its accrual is adequate. The amount of ultimate loss may differ materially from the amount accrued to date.

Other than the matter in connection with the demand letter described in this Note 9, there are no pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party, or that any of the Company or its subsidiaries' property is subject.

10. Leases

Through December 31, 2023, the Company leased approximately 47,789 square feet of office space for its corporate headquarters in Redwood City, California (the "Lease Agreement"). Prior to an amendment to the Lease Agreement entered into on October 24, 2023 (the "Sixth Amendment"), the Lease Agreement was set to expire in September 2024 and contained a one-time option to extend the lease term for five years. Under the terms of the Sixth Amendment, the Company extended the lease term through September 30, 2027 and reduced the amount of office space leased to 27,532 square feet. The remaining 20,257 square feet of office space expired on December 31, 2023, according to the terms of the Sixth Amendment.

The Company also leases approximately 25,017 square feet for its laboratory facilities in Camarillo, California which commenced in January 2020. This lease terminates in May 2027 and contains a one-time option to extend the lease term for five years. Both facility leases provide for certain limited rent abatement and annual scheduled rent increases over their respective lease terms.

The Company determined that the above facility leases were operating leases. The options to extend the lease terms, if any, for these leases were not included as part of the right-of-use asset or lease liability as it was not reasonably certain the Company would exercise those options.

In 2019, the Company entered into the Vehicle Lease Agreement, pursuant to which the Company leased approximately 50 vehicles as of December 31, 2023. The term of each leased vehicle is 36 months and commences upon the delivery of the vehicle. The vehicles leased under this arrangement were classified as finance leases. Beginning in February 2023, the Company no longer enters into these leasing arrangements and began transitioning to a reimbursement program with employees.

Supplemental information related to the Company's leases is as follows:

(in thousands)		December 31,	
Assets	**Balance Sheet Classification**	**2023**	**2022**
Operating leases	Other assets, non-current	$ 5,912	$ 5,690
Finance leases	Property and equipment, net	1,022	2,584
Total leased assets		$ 6,934	$ 8,274

(in thousands)		December 31,	
Liabilities	**Balance Sheet Classification**	**2023**	**2022**
Operating lease liabilities, current	Accrued and other current liabilities	$ 1,424	$ 3,127
Operating lease liabilities, non-current	Lease liabilities, non-current	4,977	3,628
Total operating lease liabilities		$ 6,401	$ 6,755
Finance lease liabilities, current	Accrued and other current liabilities	$ 721	$ 1,191
Finance lease liabilities, non-current	Lease liabilities, non-current	351	1,418
Total finance lease liabilities		$ 1,072	$ 2,609

Other information related to lease term and discount rate is as follows:

	December 31,		
	2023	**2022**	**2021**
Weighted-Average Remaining Lease Term			
Operating leases	3.6 years	2.2 years	3.2 years
Finance leases	1.4 years	2.2 years	1.7 years
Weighted-Average Discount Rate			
Operating leases	11.8%	8.0%	8.0%
Finance leases	8.7%	8.4%	5.8%

The components of lease expense were as follows:

(in thousands)	Year Ended December 31, 2023	2022	2021
Finance lease cost			
Amortization of right-of-use assets	$ 1,069	$ 1,228	$ 707
Interest on lease liabilities	146	166	82
Total finance lease cost	1,215	1,394	789
Operating lease cost	2,984	3,154	3,066
Total lease cost	$ 4,199	$ 4,548	$ 3,855

Supplemental cash flow information related to leases was as follows:

(in thousands)	Year Ended December 31, 2023	2022	2021
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash flows from operating leases	$ 3,560	$ 3,401	$ 3,435
Operating cash flows from finance leases	$ 145	$ 155	$ 81
Financing cash flows from finance leases	$ 1,034	$ 1,228	$ 672
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	$ 2,653	$ —	$ 434
Finance leases	$ —	$ 2,694	$ 477

As of December 31, 2023, the maturities of the lease liabilities were as follows:

Year ending December 31, (in thousands)	Operating leases	Finance leases
2024	$ 2,095	$ 781
2025	2,192	358
2026	2,126	—
2027	1,531	—
Total lease payments	7,944	1,139
Less imputed interest	(1,543)	(67)
Lease liabilities	$ 6,401	$ 1,072

11. Stockholders' Deficit

Public Offering

On May 16, 2023, the Company entered into the Underwriting Agreement with the Underwriters, pursuant to which the Company issued and sold the Firm Shares to the Underwriters. Additionally, under the terms of the Underwriting Agreement, the Company granted the Underwriters an option, for 30 days from the date of the Underwriting Agreement, to purchase the Option Shares, which the Underwriters elected to exercise in full. The price to the public in the Public Offering was $4.25 per share. The Underwriters agreed to purchase the Shares from the Company pursuant to the Underwriting Agreement at a price of $3.995 per share.

The Offering was made pursuant to a prospectus supplement and related prospectus filed with the SEC pursuant to the Company's Registration Statement under which the Company may offer and sell up to $150.0 million in the aggregate of its common stock, preferred stock, debt securities, warrants and units from time to time in one or more offerings. On May 18, 2023, the Company completed the sale and issuance of an aggregate of 13,529,411 Shares, including the exercise in full of the Underwriters' option to purchase the Option Shares. The Company received net proceeds of approximately $53.6 million, after deducting the Underwriters' discounts and commissions and offering expenses payable by the Company.

ATM Offering

On November 8, 2022, the Company filed a Registration Statement. Also on November 8, 2022, the Company entered into a Sales Agreement with Cowen, pursuant to which the Company may issue and sell from time to time up to $150.0 million of its common stock through or to Cowen as the Company's sales agent or principal in the ATM Offering.

On May 15, 2023, pursuant to an Amendment No. 1 to Sales Agreement and in connection with the Public Offering, the Company reduced the number of shares that could be issued and sold pursuant to its ATM Offering with TD Cowen by $86.25 million, lowering the aggregate offering price under the Sales Agreement from $150.0 million to $63.75 million.

On September 11, 2023, pursuant to an Amendment No. 2 to Sales Agreement, the Company increased the number of shares that could be issued and sold pursuant to its ATM Offering with TD Cowen by $28.75 million, increasing the aggregate offering price under the Sales Agreement from $63.75 million to $92.5 million.

The following table summarizes information regarding settlements under the ATM Offering:

	Year Ended December 31,	
(in thousands, except share and per share data)	2023	2022
Number of common stock shares sold during the period	3,559,761	916,884
Weighted-average price per share	$ 5.43	$ 7.30
Gross proceeds	$ 19,339	$ 6,692
Less commissions and fees	(483)	(168)
Net proceeds after commissions and fees	$ 18,856	$ 6,524

As of December 31, 2023, the Company had approximately $66.5 million of its common stock remaining available for sales under the ATM Offering.

Common Stock

On October 9, 2023, in accordance with the terms of the Optional Stock Purchase Agreement, the Company issued 2,225,513 shares of its common stock to the CMO for a price of $3.675 per share, with a total value of $8.2 million in this non-cash transaction. The Optional Stock Purchase Agreement gave the Company the option, in its sole discretion, to elect to pay for certain manufacturing services provided by the CMO by either paying cash or a Stock Service Fee Payment. On October 4, 2023, the Company notified the CMO of its election of the Stock Service Fee Payment. The price per share of common stock was equal to the volume-weighted average closing trading price per share of common stock on the Nasdaq Global Market over the ten-trading day period ending on and including October 6, 2023.

12. Stock-Based Compensation and Employee Benefits

Equity Incentive Plans

In October 2014, the Company's board of directors and its stockholders adopted the 2014 Equity Incentive Plan, which became effective upon the closing of the Company's IPO on November 6, 2014. The 2014 Plan is subject to automatic annual increases in the number of shares available for issuance on the first business day of each fiscal year equal to four percent (4%) of the number of shares of the Company's common stock outstanding as of such date or a lesser number of shares as determined by the Company's board of directors with 2024 being the last calendar year with an automatic annual increase under the 2014 Plan. All remaining shares under the Company's 2010 Stock Plan (the "2010 Plan") were transferred to the 2014 Plan upon adoption and any additional shares that would otherwise return to the 2010 Plan as a result of forfeiture, termination or expiration of the awards will return to the 2014 Plan. The 2014 Plan provided for the Company to grant shares and/or options to purchase shares of common stock to employees, directors, consultants and other service providers. While the 2014 Plan allows for non-qualified or incentive stock options, primarily all option grants made since June 2016 have been for non-qualified stock options. Under the 2010 Plan, no awards have been issued since 2014, and there were no shares of common stock available for future issuance as of December 31, 2023. There were 881,231 shares of common stock available for future issuance as of December 31, 2023 under the 2014 Plan.

In June 2016, the Company adopted the 2016 Employment Commencement Incentive Plan. The 2016 Plan is designed to comply with the inducement exemption contained in Nasdaq's Rule 5635(c)(4), which provides for the grant of non-qualified stock options, restricted stock units, restricted stock awards, performance awards, dividend equivalents, deferred stock awards, deferred stock units, stock payment and stock appreciation rights to a person not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to the individual's entering into employment with the Company. As of December 31, 2023, the Company had 1,773,921 shares of common stock available for future issuance for new employees. The 2016 Plan does not provide for any annual increases in the number of shares available.

Stock option exercises are settled with common stock from the plans' previously authorized and available pool of shares. If any shares subject to an award granted under the 2014 Plan or the 2016 Plan expire or become forfeited or canceled without the issuance of shares, the shares subject to such awards are added back into the authorized pool on the same basis that they were removed. In addition, shares withheld to pay for minimum statutory tax obligations with respect to full-value awards are added back into the authorized pool. The annual grant to eligible employees can vary depending on the type of award, and the award size is determined by the employee's grade level.

Stock Options

Incentive stock options and non-statutory stock options may be granted with exercise prices of not less than the fair value of the common stock on the date of grant. These stock options generally vest over four years, expire in ten years from the date of grant and are generally exercisable after vesting.

The following table sets forth the summary of option activities under the 2016 Plan and the 2014 Plan:

	Options			
	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Terms (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2022	21,691,321	$ 15.00		
Granted - at fair value	5,947,607	$ 6.86		
Exercised	(430,504)	$ 1.61		
Forfeited/Canceled	(3,549,184)	$ 14.25		
Outstanding at December 31, 2023	23,659,240	$ 13.31	5.7	$ 2,337
Exercisable at December 31, 2023	16,279,679	$ 15.20	4.3	$ 1,815

Aggregate intrinsic value represents the value of the Company's closing stock price on the last trading day of the year in excess of the exercise price multiplied by the number of options outstanding or exercisable.

Information on options outstanding and exercisable as of December 31, 2023 is summarized as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Terms (Years)	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$ 1.67 - $ 5.44	4,288,840	6.9	$ 3.92	1,356,589	$ 2.32
$ 5.86 - $ 10.05	4,493,996	6.5	$ 9.20	2,436,570	$ 9.45
$ 10.37 - $ 13.63	4,143,765	5.6	$ 12.41	3,317,635	$ 12.53
$ 14.03 - $ 17.17	4,436,113	5.8	$ 15.82	3,304,217	$ 15.86
$ 17.30 - $ 19.40	3,827,172	5.5	$ 17.96	3,403,068	$ 17.95
$ 19.85 - $ 46.38	2,469,354	2.1	$ 26.90	2,461,600	$ 26.91
	23,659,240	5.7	$ 13.31	16,279,679	$ 15.20

Additional information on options is summarized as follows:

(in thousands, except weighted-average grant-date fair value per share)	Year Ended December 31, 2023	2022	2021
Total intrinsic value of options exercised	$ 425	$ 914	$ 9,726
Total grant date fair value of options vested	$ 30,467	$ 34,916	$ 40,365
Weighted-average grant date fair value per share of options granted	$ 4.19	$ 7.04	$ 9.80

As of December 31, 2023, total unrecognized stock-based compensation expense related to unvested stock options was $37.4 million, which is expected to be recognized over a weighted-average period of 2.3 years.

Restricted Stock Units

The Company grants RSUs primarily to its employees. RSUs are share awards that entitle the holder to receive freely tradable shares of the Company's common stock upon vesting. The RSUs cannot be transferred and are subject to forfeiture if the holder's employment terminates prior to the release of the vesting restrictions. The Company's RSUs generally vest over one to three years from the applicable grant date, provided the employee remains continuously employed with the Company. The estimated fair value of RSUs is based on the closing price of the Company's common stock on the grant date.

The following table sets forth the summary of RSUs activity, under the 2014 Plan:

	RSUs Outstanding	
	Number of RSUs	Weighted-Average Grant Date Fair Value
Balances at December 31, 2022	2,333,307	$ 14.66
RSUs granted	1,274,753	$ 8.93
RSUs vested	(1,280,901)	$ 14.35
RSUs canceled	(600,430)	$ 11.02
Balances at December 31, 2023	1,726,729	$ 11.93

Additional information on RSUs is summarized as follows:

(in thousands, except weighted-average grant-date fair value per share)	Year Ended December 31, 2023	2022	2021
Total grant date fair value of RSUs vested	$ 18,381	$ 13,598	$ 8,434
Total grant date fair value of RSUs granted	$ 11,386	$ 22,502	$ 27,869
Weighted-average grant-date fair value per share of RSUs granted	$ 8.93	$ 13.34	$ 16.86

As of December 31, 2023, total unrecognized stock-based compensation expense related to unvested RSUs was $10.8 million, which is expected to be recognized over a weighted-average period of 1.5 years.

Employee Stock Purchase Plan

In October 2014, the Company's board of directors and its stockholders approved the establishment of the ESPP. The ESPP provides for annual increases in the number of shares available for issuance on the first business day of each fiscal year equal to the lesser of one percent (1%) of the number of shares of the Company's common stock outstanding as of such date or a number of shares as determined by the Company's board of directors. The ESPP had 2,541,769 shares of common stock available for future issuance as of December 31, 2023. Eligible employees may purchase common stock at 85% of the lesser of the fair market value of the Company's common stock on the first or last day of the offering period. The offering periods of the ESPP are on May 16 and November 16. As of December 31, 2023, there was $0.4 million of unrecognized compensation expense associated with the ESPP, which is expected to be recognized over an estimated weighted-average period of 4.5 months.

Stock-Based Compensation

The following table summarizes the classification of stock-based compensation expense in the Company's consolidated statements of operations related to employees and nonemployees:

	Year Ended December 31,		
(in thousands)	2023	2022	2021
Cost of goods sold [1]	$ 632	$ 736	$ 1,099
Research and development	14,596	18,999	18,688
Selling, general and administrative	27,882	31,002	31,577
Stock-based compensation expense	$ 43,110	$ 50,737	$ 51,364
Stock-based compensation expense capitalized into inventory	$ 1,062	$ 1,187	$ 1,025

(1) Stock-based compensation capitalized into inventory is recognized as cost of goods sold when the related product is sold.

The stock-based compensation for the year ended December 31, 2023 includes restructuring charges described in Note 15 of $1.1 million in research and development expense and a net forfeiture credit of $0.1 million in selling, general and administrative expense.

The stock-based compensation expense recorded in connection with the Surface Acquisition that was not included in the consideration transferred was immaterial.

Valuation Assumptions of Awards Granted to Employees

The Company estimated the fair value of each stock option and awards granted under the ESPP on the date of grant using the Black-Scholes option-pricing model. The following table illustrates the weighted-average assumptions for the Black-Scholes option-pricing model used in determining the fair value of the awards during the years ended December 31, 2023, 2022 and 2021:

	Year Ended December 31,		
	2023	2022	2021
Expected term (years)			
Stock options	6.0	6.1	6.1
ESPP	0.5	0.5	0.5
Expected volatility			
Stock options	64 %	62 %	65 %
ESPP	105 %	70 %	42 %
Risk-free interest rate			
Stock options	3.92 %	2.37 %	0.89 %
ESPP	5.35 %	3.77 %	0.06 %
Expected dividend yield			
Stock options	— %	— %	— %
ESPP	— %	— %	— %

Expected Term: The expected term represents the period for which the stock-based awards are expected to be outstanding and is based on the options' vesting term and contractual term. Since January 1, 2021, the Company has used historical data to calculate the expected term.

Expected Volatility: The expected volatility is calculated based on the Company's daily stock closing prices for a period equal to the expected life of the award.

Risk-Free Interest Rate: The risk-free interest rate is based on the United States Treasury constant maturity rate at the time of grant using a term equal to the expected life.

Expected Dividends: The Company has not paid and does not anticipate paying any dividends in the near future, and therefore used an expected dividend yield of zero in the valuation model.

401(k) Retirement Plan

In 2019, the Company's Compensation Committee approved the Company's matching of the employees 401(k) Plan whereby eligible employees may elect to contribute up to the lesser of 90% of their annual compensation or the statutorily prescribed annual limit allowable under Internal Revenue Service regulations. Beginning January 1, 2021, the Company made matching contributions of 100% of the first 4% of eligible compensation, up to a maximum of $7,500. The Company recorded compensation expense related to the match of $1.8 million, $2.1 million and $1.7 million in 2023, 2022 and 2021, respectively.

13. Income Taxes

The components of loss before income taxes are as follows:

	Year Ended December 31,		
(in thousands)	2023	2022	2021
Domestic	$ (238,272)	$ (291,746)	$ (287,058)
Foreign	—	(8)	(42)
Total	$ (238,272)	$ (291,754)	$ (287,100)

For the periods presented, the income tax provision (benefit) is as follows:

	Year Ended December 31,		
(in thousands)	2023	2022	2021
Current:			
Federal	$ —	$ —	$ —
State	—	—	—
Foreign	—	—	—
Subtotal	$ —	$ —	$ —
Deferred:			
Federal	$ (380)	$ —	$ —
State	—	—	—
Foreign	—	—	—
Subtotal	$ (380)	$ —	$ —
Income tax provision (benefit)	$ (380)	$ —	$ —

There was no income tax provision in 2022 and 2021 due to the Company's history of losses and valuation of allowances against the deferred tax assets.

A reconciliation of the statutory United States federal rate to the Company's effective tax rate is as follows:

	Year Ended December 31,		
	2023	2022	2021
Percent of pre-tax income:			
United States federal statutory income tax rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	(1.2)	1.7	2.6
Foreign rate differences	—	—	—
Permanent items	—	(0.1)	0.2
Research and development credit	0.9	1.8	2.6
Stock-based compensation costs	(3.5)	(2.3)	(1.2)
Other	0.7	—	—
Change in valuation allowance	(17.7)	(22.1)	(25.2)
Effective income tax rate	0.2 %	— %	— %

The components of the Company's net deferred tax assets as of December 31, 2023 and 2022 consist of the following:

(in thousands)	December 31, 2023	2022
Net operating loss carryforwards	$ 170,402	$ 131,423
Research and development credits	65,225	63,164
Depreciation and amortization	37,211	51,877
Stock-based compensation	30,370	32,561
Sales related accruals	38,474	23,864
Other accruals	42,480	19,717
Capitalized research and development	46,062	17,673
Gross deferred tax assets	430,224	340,279
Right-of-use asset	(1,538)	(1,903)
In-process research and development	(6,403)	(603)
Gross deferred tax liabilities	(7,941)	(2,506)
Total net deferred tax asset	422,283	337,773
Less valuation allowance	(423,385)	(337,773)
Net deferred tax assets (liabilities)	$ (1,102)	$ —

The tax benefit of net operating losses, temporary differences and credit carry forwards is recorded as an asset to the extent that management assesses that realization is "more likely than not." The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences representing net future deductible amounts become deductible. Due to the Company's history of losses, and lack of other positive evidence, the Company has determined that it is more likely than not that its federal net deferred tax assets and certain state net deferred tax assets will not be realized, and therefore, the Company has offset the federal and certain state net deferred tax assets by a valuation allowance as of December 31, 2023 and 2022.

The valuation allowance increased by $85.6 million, $64.4 million and $72.4 million during the years ended December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, the Company had net operating loss carryforwards for federal income of $774.9 million, which will start to expire in the year 2036, and various states net operating loss carryforwards of $128.0 million, which have various expiration dates beginning in 2031.

As of December 31, 2023, the Company had federal research and development credit carryforwards for federal income tax purposes of $60.6 million, which will start to expire in the year 2031, and state research and development credit carryforwards of $26.5 million, which have no expiration date.

Utilization of the net operating loss and tax credit carryforwards may be subject to a substantial annual limitation due to ownership change limitations provided by Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of certain net operating loss and tax credit carryforwards before their utilization. Under the new enacted tax law, the carry forward period of net operating losses generated from 2018 forward is indefinite. However, the carryforward period for net operating losses generated prior to 2018 remains the same. Therefore, the annual limitation may result in the expiration of certain net operating losses and tax credit carryforwards before their utilization. The Company files income tax returns in the United States federal jurisdiction, various United States state jurisdictions, and a foreign jurisdiction with varying statutes of limitations. The tax years from inception in 2011 forward remain open to examination due to the carryover of unused net operating losses and tax credits.

A reconciliation of the Company's unrecognized tax benefits during 2023, 2022 and 2021 is as follows:

(in thousands)	Year Ended December 31, 2023	2022	2021
Balance at beginning of year	$ 16,838	$ 15,495	$ 13,243
Additions based on tax positions related to current year	865	1,385	2,038
Additions (reductions) for tax positions of prior years	(286)	(42)	214
Balance at end of year	$ 17,417	$ 16,838	$ 15,495

As of December 31, 2023, 2022 and 2021, the Company had $17.4 million, $16.8 million and $15.5 million, respectively, of unrecognized benefits, none of which would currently affect the Company's effective tax rate if recognized due to the Company's deferred tax assets being fully offset by a valuation allowance. During 2023, 2022 and 2021, the Company did not recognize accrued interest and penalties related to unrecognized tax benefits. The Company does not anticipate a material adjustment of unrecognized tax benefits during the next twelve months from the balance sheet date as reductions for tax positions of prior years.

14. Net Loss Per Share

The following outstanding dilutive potential shares were excluded from the calculation of diluted net loss per share due to their anti-dilutive effect:

	Year Ended December 31,		
	2023	2022	2021
Stock options, including shares subject to ESPP	24,083,222	22,214,875	19,895,097
Restricted stock units	2,266,387	2,399,465	1,811,607
Shares issuable upon conversion of 2022 Convertible Notes	—	1,078,632	4,473,871
Shares issuable upon conversion of 2026 Convertible Notes	11,942,152	11,942,152	11,942,152
Total	38,291,761	37,635,124	38,122,727

15. Restructuring Charges

On March 3, 2023, the Company committed to a plan to reduce its workforce to focus resources on strategic priorities including the commercialization of its diversified product portfolio and development of innovative immuno-oncology product candidates. The reduction in force impacted approximately 50 full-time and part-time employees, effective March 10, 2023 for most of these employees. In the first quarter of 2023, non-recurring restructuring charges associated with the reduction in force consisted of $3.9 million in cash expenses related to personnel expenses such as salaries, severance payments and other benefits; and $1.5 million in non-cash stock-based compensation related to acceleration of vesting and extension of the stock option exercise windows for two impacted executives; partially offset by $0.5 million in non-cash stock-based compensation forfeiture credits. The reduction in force was completed during the second quarter of 2023.

For the year ended December 31, 2023, the consolidated statements of operations include $3.6 million in research and development expense and $1.3 million in selling, general and administrative expense related to the reduction in force.

16. Related Party Transactions

Consulting services

In October 2020, the Company entered into a consulting agreement with Lanfear Advisors owned by Mr. Jonathan Lanfear who is the brother of Dennis Lanfear, the Company's President, Chief Executive Officer and Chairman of the Board of Directors. Mr. Jonathan Lanfear provided consulting services with respect to the Collaboration Agreement executed with Junshi Biosciences in February 2021 and the Letter Agreement with Junshi Biosciences related to the Collaboration Agreement dated January 9, 2022 (See Note 7. Collaborations and Other Arrangements). In addition to the hourly consulting fee paid to Lanfear Advisors under the consulting agreement, the Company granted fully vested stock options to purchase 65,000 shares of common stock with an exercise price of $17.60 per share to Mr. Jonathan Lanfear in February 2021 upon the execution of the Collaboration Agreement with Junshi Biosciences and recognized stock-based compensation expense of $0.8 million. The Company recorded cash consulting expense of $0.2 million in 2021 with respect to these consulting services. There have been no subsequent material related party expenses. Total liabilities recognized in the consolidated balance sheets with respect to these services were immaterial as of December 31, 2023 and 2022.

17. Subsequent Events

CIMERLI Sale Transaction

On January 19, 2024, the Company entered into the Purchase Agreement by and between the Company and Sandoz. Pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, on March 1, 2024, the Company completed the Sale Transaction for its CIMERLI ophthalmology franchise through the sale of its subsidiary, Coherus Ophthalmology LLC, to Sandoz for upfront, all-cash consideration of $170.0 million plus an additional $17.8 million for CIMERLI product inventory and prepaid manufacturing assets. Such consideration is subject to certain adjustments that will be finalized following the closing pursuant to the Purchase Agreement.

Partial Release and Third Amendment to 2027 Term Loan

On February 5, 2024, the Company, entered into the Consent and Amendment with the Collateral Agent and the Lenders, pursuant to which the Lenders and the Collateral Agent provided certain consents, and released certain assets and subsidiaries of the Company from their obligations under the 2027 Term Loans and the other loan documents in connection therewith, and the parties thereto agreed to amend the Loan Agreement.

Pursuant to and subject to terms and conditions in the Consent and Amendment, among other things: (1) the Lenders and the Collateral Agent provided consent to consummation of the transactions contemplated by the Purchase Agreement, and released certain subsidiary of the Company from its obligation and certain assets subject to the transactions contemplated thereby, (2) the Lenders and the Collateral Agent permitted the Company to make a partial prepayment of the principal of the loans outstanding under the 2027 Term Loans in the amount of $175.0 million upon consummation of the transactions contemplated by the Purchase Agreement, subject to certain conditions including a prepayment premium and makewhole amount calculated pursuant to the Consent and Amendment and (3) the parties thereto agreed to adjust the minimum net sales covenant level under the 2027 Term Loans. Upon the closing of the Sale Transaction the Company became liable to repay $175.0 million of the existing principal balance of $250.0 million of the loans outstanding under the Loan Agreement on April 1, 2024 and the Company plans to repay $175.0 million and the prepayment premium and makewhole amount of $6.8 million to the Lenders on or before April 1, 2024 pursuant to the Consent and Amendment.

Other terms of the 2027 Term Loans, as amended by the Consent and Amendment, remain generally identical to those under the 2027 Term Loans.

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

None.

Item 9A. ***Controls and Procedures***

(a) Evaluation of Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision of our Chief Executive Officer and our Interim Chief Financial Officer, and evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. Based on that evaluation, our President and Chief Executive Officer and our Interim Chief Financial Officer have concluded that, as of the end of the period covered by this Annual Report on Form 10-K, our disclosure controls and procedures were, in design and operation, effective.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer, principal financial officer and principal accounting officer, as appropriate, to allow for timely decisions regarding required disclosure.

We intend to review and evaluate the design and effectiveness of our disclosure controls and procedures on an ongoing basis and to correct any material deficiencies that we may discover. Our goal is to ensure that our management has timely access to material information that could affect our business. While we believe the present design of our disclosure controls and procedures is effective to achieve our goal, future events affecting our business may cause us to modify our disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer, principal financial officer and principal accounting officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on our evaluation under the framework in *Internal Control—Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of December 31, 2023. Ernst & Young LLP, our independent registered public accounting firm, has attested to and issued a report on the effectiveness of our internal control over financial reporting, which is included herein.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Coherus BioSciences, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Coherus BioSciences, Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Coherus BioSciences, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated March 15, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Mateo, California
March 15, 2024

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

(a)

Item 1.01 Entry into a Material Definitive Agreement

Amendment No. 2 to Collaboration Agreement

On February 1, 2021, we announced that we had entered into the Collaboration Agreement with Junshi Biosciences for the co-development and commercialization of toripalimab, Junshi Biosciences' anti-PD-1 antibody in the United States and Canada. We entered into an amendment and waiver under the Collaboration Agreement on October 25, 2023 (Amendment No. 1 to Collaboration Agreement"). On March 13, 2024, we and Junshi Biosciences entered into Amendment No. 2 to the Collaboration Agreement ("Amendment No. 2 to Collaboration Agreement").

Under Amendment No. 2 to Collaboration Agreement, we agreed with Junshi Biosciences to change the $25.0 million milestone payment to Junshi Biosciences that became due in connection with the approval by the FDA of toripalimab for the treatment of patients with NPC in the first quarter of 2024. We agreed to split the $25.0 million milestone payment into two equal installments of $12.5 million each, one due in the second quarter of 2024 and one due in the first quarter of 2025. We also agreed to pay approximately $2.5 million in the first quarter of 2024 to Junshi Biosciences for routine expenses incurred pursuant to the Collaboration Agreement.

The foregoing summary of Amendment No. 2 to Collaboration Agreement does not purport to be complete and is qualified in its entirety by the full text of the Amendment No. 2 to Collaboration Agreement, a copy of which will be filed as an exhibit to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024.

Item 2.05 Costs Associated with Exit or Disposal Activities

In addition to our 35 former employees who transferred to Sandoz in connection with the closing of the Sale Transaction, on March 11, 2024 we committed to a plan to reduce our workforce (the "Plan") by approximately 26 employees effective March 18, 2024 to focus resources on strategic priorities including the research, development and commercialization of innovative cancer treatments and the commercialization of our portfolio of FDA-approved oncology products. One-time restructuring charges associated with the Plan are expected to be approximately $1.5 million, primarily consisting of personnel expenses such as salaries, one-time severance payments, and other benefits. Cash payments related to these expenses will be paid out and the Plan is expected to be completed in the first half of 2024.

The estimated costs that we expect to incur in connection with the Plan are subject to a number of assumptions, and actual results may differ significantly from these estimates. We may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the Plan.

(b) During the three months ended December 31, 2023, neither we nor any of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each such term is defined in Item 408(a) of Regulation S-K.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not applicable.

PART III

Certain information required by Part III is omitted from this Annual Report on From 10-K because we will file a Definitive Proxy Statement (the "Proxy Statement") with the Securities and Exchange Commission within 120 days after the end of our fiscal year ended December 31, 2023.

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this Item is included in the Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

Item 11. ***Executive Compensation***

The information required by this Item is included in the Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this Item is included in the Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this Item is included in the Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

Item 14. ***Principal Accounting Fees and Services***

The information required by this Item is included in the Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) (1) The financial statements required by Item 15(a) are filed in Item 8 of this Annual Report on Form 10-K.

(2) The financial statement schedules required by Item 15(a) are omitted because they are not applicable, not required or the required information is included in the financial statements or notes thereto as filed in Item 8 of this Annual Report on Form 10-K.

(3) We have filed, or incorporated into this report by reference, the exhibits listed on the accompanying Index to Exhibits immediately preceding the signature page of this Annual Report on Form 10-K.

Item 16. ***Form 10-K Summary***

None.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Form	Incorporated by Reference Date	Number	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation.	8-K	11/13/2014	3.1	
3.2	Amended and Restated Bylaws.	8-K	11/18/2020	3.1	
4.1	Reference is made to Exhibits 3.1 and 3.2.				
4.2	Form of Common Stock Certificate.	S-1/A	10/24/2014	4.2	
4.3	Description of Coherus' Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.	10-K	2/27/2020	4.3	
4.4	Indenture, dated April 17, 2020, by and between Coherus BioSciences, Inc. and U.S. Bank National Association.	8-K	4/17/2020	4.1	
4.5	Form of certificate representing the 1.5% Convertible Senior Subordinated Notes due 2026.	8-K	4/17/2020	4.1	
4.6	Notice of Successor Trustee to Indenture dated February 7, 2022	10-Q	5/5/2022	4.5	
10.1†	Distribution Agreement, effective December 26, 2012, by and between Orox Pharmaceuticals B.V. and Coherus BioSciences, Inc.	S-1	9/25/2014	10.3	
10.2(a)	Standard Industrial/Commercial Multi-tenant Lease-Gross, effective December 5, 2011, by and between Howard California Property Camarillo 5 and BioGenerics, Inc.	S-1	9/25/2014	10.9(a)	
10.2(b)	First Amendment to Lease, effective December 21, 2013, by and between Howard California Property Camarillo 5 and Coherus BioSciences, Inc.	S-1	9/25/2014	10.9(b)	
10.3(a)#	BioGenerics, Inc. 2010 Equity Incentive Plan, as amended.	S-1	9/25/2014	10.10(a)	
10.3(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2010 Equity Incentive Plan, as amended.	S-1	9/25/2014	10.10(b)	
10.4(a)#	Coherus BioSciences, Inc. 2014 Equity Incentive Award Plan.	S-1/A	10/24/2014	10.11	
10.4(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2014 Equity Incentive Award Plan.	S-1/A	11/4/2014	10.11(b)	
10.4(c)#	Form of Restricted Stock Award Grant Notice and Restricted Stock Award Agreement under the 2014 Equity Incentive Award Plan.	S-1/A	11/4/2014	10.11(c)	
10.4(d)#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2014 Equity Incentive Award Plan.	S-1/A	11/4/2014	10.11(d)	
10.5#	Coherus BioSciences, Inc. 2014 Employee Stock Purchase Plan.	S-1/A	10/24/2014	10.12	
10.6#	Form of Indemnification Agreement between Coherus BioSciences, Inc. and each of its directors, officers and certain employees.	S-1/A	10/24/2014	10.13	
10.7†	Master Services Agreement, effective January 23, 2012, by and between Medpace, Inc. and BioGenerics, Inc.	S-1	9/25/2014	10.15	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.8	New Office Lease, effective July 6, 2015, by and between Hudson 333 Twin Dolphin Plaza, LLC and Coherus BioSciences, Inc.	10-Q	8/10/2015	10.3	
10.9	First Amendment, effective August 10, 2015, by and between Hudson 333 Twin Dolphin Plaza, LLC and Coherus BioSciences, Inc.	10-Q	8/10/2015	10.4	
10.10(a)#	Coherus BioSciences, Inc. 2016 Employment Commencement Incentive Plan.	10-Q	8/9/2016	10.1(a)	
10.10(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the Coherus BioSciences, Inc. 2016 Employment Commencement Incentive Plan.	10-Q	8/9/2016	10.1(b)	
10.10(c)#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the Coherus BioSciences, Inc. 2016 Employment Commencement Incentive Plan.	10-Q	8/9/2016	10.1(c)	
10.10(d)#	Form of Restricted Stock Award Grant Notice and Restricted Stock Award Agreement under the Coherus BioSciences, Inc. 2016 Employment Commencement Incentive Plan.	10-Q	8/9/2016	10.1(d)	
10.11	Second Amendment, dated September 21, 2016, by and between Hudson 333 Twin Dolphin Plaza, LLC and Coherus BioSciences, Inc.	8-K	9/26/2016	10.1	
10.12	Letter Agreement to Master Service Agreement, dated as of September 6, 2017, by and between Medpace, Inc. and Coherus BioSciences, Inc.	10-Q	11/06/2017	10.2	
10.13†	Confidential Litigation Settlement Agreement and Release, dated as of April 30, 2019 between Amgen Inc. and Amgen USA Inc. (collectively "Amgen"), and Coherus BioSciences Inc.	10-Q	8/5/2019	10.1	
10.14	Third Amendment, effective May 24, 2019, by and between Hudson 333 Twin Dolphin Plaza, LLC and Coherus BioSciences, Inc.	10-Q	11/8/2019	10.1	
10.15	Fourth Amendment, effective September 4, 2019, by and between Hudson 333 Twin Dolphin Plaza, LLC and Coherus BioSciences, Inc.	10-Q	11/8/2019	10.2	
10.16††	License Agreement, dated November 4, 2019, by and between Coherus BioSciences, Inc. and Bioeq IP AG	10-K	2/27/2020	10.29	
10.17††	Form of Confirmation for Base Capped Call Transactions under the Indenture.	8-K	4/17/2020	10.1	
10.18	Exclusive License and Commercialization Agreement, dated February 1, 2021, by and between Coherus Biosciences, Inc. and Shanghai Junshi Biosciences, Co. Ltd.	10-Q	5/6/2021	10.1	
10.19	Stock Purchase Agreement, dated February 1, 2021, by and between the Coherus Biosciences, Inc. and Shanghai Junshi Biosciences, Co. Ltd.	10-Q	5/6/2021	10.2	
10.20††	Loan Agreement dated as of January 5, 2022 among Coherus BioSciences, Inc., the Guarantors, the Collateral Agent and the Lenders party thereto.	8-K	1/7/2022	10.1	
10.21††	Letter Agreement, dated February 9, 2022, between Coherus BioSciences, Inc. and Shanghai Junshi Biosciences, Co., Ltd.	10-Q	5/5/2022	10.1	
10.22††	First Amendment to Loan Agreement dated as of April 7, 2022, among Coherus BioSciences, Inc., the Collateral Agent and the Lenders party thereto.	10-Q	8/4/2022	10.1	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.23††	License Agreement, dated June 22, 2022, among Coherus BioSciences, Inc., Bioeq AG and Genentech Inc.	10-K	3/6/2023	10.25	
10.24††	Second Amendment and Waiver to Loan Agreement dated as of February 6, 2023, among Coherus BioSciences, Inc., the Collateral Agent and the Lenders party thereto.	10-Q	5/8/2023	10.1	
10.25#	Executive Change in Control and Severance Plan, effective January 1, 2023.	10-Q	5/8/2023	10.2	
10.26#††	Letter Agreement between Coherus BioSciences, Inc. and Vladimir Vexler, dated as of March 27, 2023.	10-Q	5/8/2023	10.3	
10.27	Amendment No. 1 to Sales Agreement between Coherus BioSciences, Inc. and Cowen and Company, LLC, dated May 15, 2023.	10-Q	8/2/2023	10.1	
10.28††	Agreement and Plan of Merger, by and among Coherus BioSciences, Inc., Crimson Merger Sub I, Inc., Crimson Merger Sub II, LLC and Surface Oncology, Inc., dated June 15, 2023 (Form of CVR Agreement included as Exhibit A thereto)	8-K	6/16/2023	2.1	
10.29††	Settlement and License Agreement among Coherus BioSciences, Inc., AbbVie Inc. and AbbVie Biotechnology Ltd dated January 24, 2019.	10-Q	11/6/2023	10.1	
10.30	Amendment No. 2 to Sales Agreement between Coherus BioSciences, Inc. and Cowen and Company, LLC dated September 11, 2023.	10-Q	11/6/2023	10.2	
10.31††	First Amended and Restated Development and Option Agreement between Adimab, LLC and Surface Oncology, Inc., dated October 3, 2018.				X
10.32††	Collaboration Agreement between Novartis Institutes for BioMedical Research, Inc. and Surface Oncology, Inc., dated January 9, 2016, as amended on May 6, 2016, as further amended on July 14, 2017, and as further amended on September 18, 2017.				X
10.33††	Amendment No. 4 to the Collaboration Agreement between Novartis Institutes for BioMedical Research, Inc. and Surface Oncology, Inc., dated October 9, 2018.				X
10.34††	License Agreement, dated as of December 16, 2020, by and between Surface Oncology, Inc. and GLAXOSMITHKLINE INTELLECTUAL PROPERTY (No. 4) LIMITED.				X
10.35††	Amendment No. 1, dated as of August 11, 2021, to License Agreement, dated as of December 16, 2020, by and between Surface Oncology, Inc. and GLAXOSMITHKLINE INTELLECTUAL PROPERTY (No. 4) LIMITED.				X
10.36††	Sixth Amendment, effective October 24, 2023, by and between Hudson 333 Twin Dolphin Plaza, LLC and Coherus BioSciences, Inc.				X
10.37††	Amendment to and Waiver, dated October 25, 2023, under the Exclusive License and Commercialization Agreement, dated February 1, 2021, by and between Coherus Biosciences, Inc. and Shanghai Junshi Biosciences, Co. Ltd.				X

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.38	Coherus BioSciences, Inc. Insider Trading Compliance Policy and Procedures, effective February 27, 2023.				X
10.39#††	Letter Agreement between Coherus BioSciences, Inc. and McDavid Stilwell, dated as of December 11, 2023.				X
10.40††	Exclusive Product License Agreement, dated March 23, 2021, by and between Vaccinex, Inc. and Surface Oncology, Inc.				X
21.1	Subsidiaries of Coherus BioSciences, Inc.				X
23.1	Consent of Independent Registered Public Accounting Firm.				X
24.1	Power of Attorney (included in the signature page to this Form 10-K).				X
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.				X
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.				X
32.1	Certification of Principal Executive Officer and Principal Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.				X
97.1	Coherus BioSciences, Inc. Clawback Policy, effective December 1, 2023.				X
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.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)				X

† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

†† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment or pursuant to Regulation S-K, Item 601(b)(10). Such omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed. Additionally, schedules and attachments to this exhibit have been omitted pursuant to Regulation S-K, Item 601(a)(5).

# Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

COHERUS BIOSCIENCES, INC.

Date: March 15, 2024

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dennis M. Lanfear and Bryan McMichael, his or her attorneys-in-fact, for him or her 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 U.S. Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute, may do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Dennis M. Lanfear Dennis M. Lanfear	Chairman, President and Chief Executive Officer *(Principal Executive Officer)*	March 15, 2024
/s/ Bryan McMichael Bryan McMichael	Interim Chief Financial Officer, Executive Vice President, Accounting and Corporate Controller *(Principal Financial Officer and Principal Accounting Officer)*	March 15, 2024
/s/ Georgia Erbez Georgia Erbez	Director	March 15, 2024
/s/ Lee N. Newcomer Lee N. Newcomer	Director	March 15, 2024
/s/ Charles Newton Charles Newton	Director	March 15, 2024
/s/ Jill O'Donnell-Tormey Jill O'Donnell-Tormey	Director	March 15, 2024
/s/ Michael Ryan Michael Ryan	Director	March 15, 2024
/s/ Ali J. Satvat Ali J. Satvat	Director	March 15, 2024
/s/ Mark D. Stolper Mark D. Stolper	Director	March 15, 2024
/s/ Kimberly J. Tzoumakas Kimberly J. Tzoumakas	Director	March 15, 2024
/s/ Mats Wahlström Mats Wahlström	Director	March 15, 2024

Execution Copy
CONFIDENTIAL

FIRST AMENDED AND RESTATED

DEVELOPMENT AND OPTION AGREEMENT

This First Amended and Restated Development and Option Agreement (this "**Agreement**") made effective as of October 3, 2018 (the "**Amended Effective Date**"), is entered into by and between Adimab, LLC, a Delaware limited liability company having an address at 7 Lucent Drive, Lebanon, NH 03766 ("**Adimab**"), and Surface Oncology, Inc., a Delaware corporation having an address at 25 First Street, Suite 303, Cambridge, MA 02141 ("**Surface**").

Background

Whereas, Adimab is a leader in yeast-based, fully human antibody discovery and optimization using its proprietary core technology platform;

Whereas, Surface wishes to discover and optimize certain proprietary antibodies as potential therapeutic product candidates directed against disease-related biological targets to be identified by Surface;

Whereas, the Parties previously entered into that certain Development and Option Agreement, dated as of June 3, 2014, as amended (the "**Original Agreement**" and such date, the "**Effective Date**"), pursuant to which the Parties collaborated to have Adimab discover and optimize antibodies, and Surface obtained a research license to determine the activity of such antibodies and to evaluate such antibodies, as well as an option to a license for commercial rights to certain of the antibodies to each such target for development and commercialization as a pharmaceutical product; and

Whereas, the Parties now desire to amend and restate the Original Agreement in its entirety and replace the Original Agreement with this Agreement to, among other things, expand the right of Surface to evaluate and use antibodies for diagnostic purposes.

Now, Therefore, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Adimab and Surface hereby agree as follows:

ARTICLE 1

DEFINITIONS.

The following initially capitalized terms have the following meanings (and derivative forms of them shall be interpreted accordingly):

1.1"**AAA**" has the meaning set forth in Section 10.2(c)(i).

1.2"**Adimab**" has the meaning set forth in the recitals.

1.3"**Adimab Diagnostic Product**" means any Licensed Antibody that [***]. For clarity, "Adimab Diagnostic Product" as defined herein (i) includes Companion Diagnostics and (ii) excludes (A) prophylactic or therapeutic Products containing [***] Licensed Antibodies and (B) any Other Diagnostic Product.

1.4 "**Adimab Indemnitees**" has the meaning set forth in Section 8.2.

1.5"**Adimab Materials**" means any tangible biological or chemical materials (including all [***] and other [***] in the form of tangible biological or chemical materials) provided by Adimab to Surface under the Research Program, [***].

1.6"**Adimab Platform Patents**" means all Patents [***] the [***] that [***]

1.7"**Adimab Platform Technology**" means (a) the discovery and optimization of antibodies via methods that include the use of synthetic DNA antibody libraries and engineered strains of yeast, (b) all methods, materials and other Know-How used in the foregoing and (c) platforms embodying, components, component steps and other portions of any of the foregoing in (a) or (b). For clarity, Adimab Platform Technology includes technology used in the discovery, and optimization of any Program Antibody, in each case not based on the specific composition of such Program Antibody (or product containing a Program Antibody), but based instead on the manner in which such Program Antibody was discovered or optimized under a Research Program.

1.8"**Adimab Platform Technology Improvement**" means all Program Inventions that [***] Adimab Platform Technology, including any and all improvements, enhancements, modifications, substitutions, alternatives or alterations to Adimab Platform Technology.

1.10"**Affiliate**" means an entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a Party. For this purpose, "control" means the ownership of fifty percent (50%) or more of the voting securities entitled to elect the directors or management of the entity, or the actual power to elect or direct the management of the entity. Moreover, notwithstanding anything in this Agreement to the contrary, any venture capital fund, private equity fund or other investor who is not primarily an operating biopharmaceutical, pharmaceutical, diagnostics, or medical device research and development and/or marketing company (a "**Non-affiliate Investor**") shall not be considered an Affiliate of a Party, and any person or entity that directly or indirectly controls or is controlled by a Non-affiliate Investor (except for any entity directly or indirectly controlled by a Party, controlling a Party, or under common control with a Party, in each case other than through Non-affiliate Investor(s)) shall not be considered an Affiliate of a Party solely by reason of being controlled by the same Non-affiliate Investors.

1.11"**Agreement**" has the meaning set forth in the recitals.

1.12"**Bankruptcy Code**" has the meaning set forth in Section 9.7.

1.13"**Binding Sequence Information**" has the meaning set forth in Section 1.60.

1.14"**Change of Control**" means any transaction or series of transactions in which Surface (a) sells, conveys or otherwise disposes of all or substantially all of its property or business to a single entity or set of Affiliated entities; or (b) (i) merges with, consolidates with, acquires or is acquired by any other entity; or (ii) effects any other transaction or series of related transactions; in the case of each of clause (i) and clause (ii), such that the members, stockholders or shareholders of Surface immediately prior thereto, in the aggregate, no longer own, directly or indirectly, at least fifty percent (50%) of the outstanding voting securities or capital stock (including membership interests) of the surviving entity following the closing of such merger, consolidation, other transaction or series of related transactions, other than a capital-raising transaction with a Non-Affiliate Investor.

1.15"**Combination Product**" means a product containing a Licensed Antibody as well as one or more other active therapeutic ingredient. Notwithstanding the foregoing, [***].

1.16"**Commercial Option**" has the meaning set forth in Section 3.3(a).

1.17"**Commercial Option Fee**" has the meaning set forth in Section 4.3.

1.18"**Commercially Reasonable Efforts**" means the level of efforts required to carry out a task in a diligent and sustained manner without undue interruption, pause or delay; which level is at least commensurate with the level of efforts that a similarly situated biopharmaceutical company would devote to a product of similar potential and having similar commercial and scientific advantages and disadvantages resulting from the company's own research efforts (i.e., explicitly ignoring the royalty, milestone and other payments due Adimab under this Agreement), taking into account safety and efficacy; the competitiveness of alternative products; the proprietary position of the product; pricing and reimbursement; and all other relevant commercial factors.

1.19"**Companion Diagnostic**" means any Adimab Diagnostic Product used with or in connection with a particular prophylactic or therapeutic Product containing [***] Licensed Antibodies.

1.20"**Confidential Information**" has the meaning set forth in Section 6.1(a).

1.21"**Control**" means, with respect to any Know-How or Patent [***] (other than pursuant to this Agreement), of the [***] as provided for in this Agreement without violating the terms of any written agreement with any Third Party.

1.22 "**Controlled Contractor**" has the meaning set forth in Section 2.1(b).

1.23"**Cover**" means, with respect to a particular item and a particular Patent, that such Patent [***].

1.24"**Diagnostic Product**" means any Adimab Diagnostic Product or Other Diagnostic Product. For clarity, "Diagnostic Product" as defined herein excludes prophylactic or therapeutic Products containing [***] Licensed Antibodies.

1.25"**Discovery Term**" means the term beginning on the Effective Date and ending on [***].

1.26"**Dispute**" has the meaning set forth in Section 10.2(a).

1.27"**Effective Date**" has the meaning set forth in the recitals.

1.28"**External Product**" means any compound or product other than (a) a Licensed Antibody or (b) Product containing [***] Licensed Antibodies.

1.29"**Evaluation Term**" means, with respect to each Target, the time period beginning at the end of the Research Term for such Target and ending [***] thereafter, unless otherwise extended by mutual agreement of the Parties.

1.30"**Field**" means diagnostic, therapeutic or prophylactic uses in human or other animal disease.

1.31"**First Commercial Sale**" means, with respect to a Licensed Product in any country, the first sale, transfer or disposition for value or for end use or consumption of such Licensed Product in such country after Marketing Approval for such Licensed Product has been received in such country, but excluding any distribution or other sale solely for so-called treatment investigational new drug sales, named patient sales, compassionate or emergency use sales and pre-license sales.

1.32"**Force Majeure**" means conditions beyond a Party's reasonable control or ability to plan for, including acts of God, war, terrorism, civil commotion, labor strike or lock-out; epidemic; failure or default of public utilities or common carriers; and destruction of facilities or materials by fire, earthquake, storm or like catastrophe; *provided, however*, the payment of invoices due and owing under this Agreement shall not be excused by reason of a Force Majeure affecting the payor.

1.33"**FTE**" means the equivalent of a full-time employee's working days over a twelve (12) month period (taking account of normal vacations, sick days and holidays not being considered working days), which equates to a total of [***] hours per twelve (12) month period of work performed by a fully qualified Adimab employee or consultant in a Research Program. To provide an FTE over a given time period that is less than a year means to provide the proportionate share (corresponding to the proportion that such time period bears to a full year) during such time period of a full year's FTE. In no event shall the work over the course of a year of one individual person account for more than one (1) FTE year.

1.34"**FTE Rate**" means [***] per FTE.

1.35"**Indemnify**" has the meaning set forth in Section 8.1.

1.36"**Interest Payment**" has the meaning set forth in Section 4.5.

1.37"**Joint Inventions**" means any and all Program Inventions made jointly by employees of, or others obligated to assign Program Inventions to, each of Adimab (or any of its Affiliates) and Surface (or any of its Affiliates).

1.38"**Joint Serendipitous Inventions**" means all Joint Inventions other than those Covered by Program Antibody Patents or constituting Adimab Platform Technology Improvements.

1.39"**Know-How**" means all technical information and know-how, including (i) inventions, discoveries, trade secrets, data, specifications, instructions, processes, formulae, materials (including cell lines, DNA, vectors, plasmids, nucleic acids and the like), methods, protocols, expertise and any other technology, including the applicability of any of the foregoing to formulations, compositions or products or to their manufacture, development, registration, use or marketing or to methods of assaying or testing them or processes for their manufacture, formulations containing them or compositions incorporating or comprising them, and (ii) all data, instructions, processes, formula, strategies, and expertise, whether biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical, analytical, or otherwise and whether related to safety, quality control, manufacturing or other disciplines.

1.40"**Licensed Antibodies**" means those Program Antibodies that are selected by Surface pursuant to Section 3.3(a), and any Program-Benefited Antibody generated from such Program Antibodies.

1.41"**Licensed Research Antibodies**" means those Program Antibodies that are selected by Surface pursuant to Section 3.2(a), and any Program-Benefited Antibody generated from such Program Antibodies.

1.42"**Licensed Product**" means a Product that [***] Licensed Antibodies, and includes Combination Products containing any one or more Licensed Antibodies or any Adimab Diagnostic Product. [***].

1.43"**Licensed Program Antibody Patents**" means those Program Antibody Patents that Cover any Licensed Antibodies or Licensed Research Antibodies.

1.44"**Losses**" has the meaning set forth in Section 8.1.

1.45"**Major Markets**" means each of the [***].

1.46"**Marketing Approval**" each means approval to market a Licensed Product legally as a drug or biologic, including approval of a Biologics License Application (as defined in the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act and the regulations promulgated thereunder) in the United States, or license, approval, registration, or authorization of a comparable filing in any other jurisdiction, or the clearance, approval, license, registration, or authorization of a comparable filing for medical device, diagnostic or animal use. [***].

1.47"**Milestone Event**" has the meaning set forth in Section 4.4.

1.48"**Milestone Payment**" has the meaning set forth in Section 4.4.

1.49"**Naïve Antibody Library**" has the meaning set forth in Section 2.6(a).

1.50"**Net Sales**" means [***]

If any Licensed Antibody is sold as part of a Combination Product, the Net Sales for such Licensed Antibody shall be determined by [***]

1.51"**Non-Affiliate Investor**" has the meaning set forth in Section 1.9.

1.52"**Optimization Antibody Library**" has the meaning set forth in Section 2.6(a).

1.53"**Other Diagnostic Product**" means any assay, medical device, product or compound that (a) does not comprise, incorporate, contain or use a Licensed Antibody and (b) [***]. For clarity, "Other Diagnostic Product" as defined herein excludes (A) Adimab Diagnostic Products and (B) prophylactic or therapeutic Products containing Licensed Antibodies.

1.54"**Party**" means Adimab or Surface.

1.55"**Patent**" means any patent application or patent anywhere in the world, including all of the following categories of patents and patent applications, and their foreign equivalents: provisional, utility, divisional, continuation, continuation-in-part, and substitution applications; and utility, re-issue, re-examination, renewal and extended patents, and patents of addition, and any Supplementary Protection Certificates, patent extensions, restoration of patent terms and other similar rights.

1.56"**Permitted Comparison**" has the meaning set forth in Section 1.60.

1.57"**Product**" means any actual or potential product [***] that [***] Program-Benefited Antibodies [***]. For clarity, it is possible that there will be multiple Products against a single Target.

1.58"**Program Antibody**" means, with respect to each Target, each antibody [***] under a Research Program for such Target. It is understood and agreed that [***].

1.59"**Program Antibody Patents**" means, for each Target, Patents that, [***].

1.60"**Program-Benefited Antibody**" means any Program Antibody or any modified or derivative form of any such Program Antibody that comprises or contains either [***] ("**Binding Sequence Information**"). Notwithstanding the foregoing, an antibody product will not be deemed a Program-Benefited Antibody [***] ("**Permitted Comparisons**").

1.61"**Program Deliverables**" means, for each Target, the deliverables for a given part of the Research Plan as defined in the Research Plan for such Target.

1.62"**Program Inventions**" means, for each Target, any invention or Know-How that is [***] in the course of performing or as a result of the activities conducted under a Research Program.

1.63"**Program Patent**" means, for each Target, any Patent Covering a Program Invention.

1.64"**Prosecute**" has the meaning set forth in Section 5.4(d)(i).

1.65"**Research Committee**" has the meaning set forth in Section 2.2(a).

1.66"**Research License Term**" has the meaning set forth in Section 3.2(b)(i).

1.67"**Research Option**" has the meaning set forth in Section 3.2(a).

1.68"**Research Plan**" means the research plan to be agreed upon by the Parties with respect to a Target in accordance with Section 2.1(a) hereof.

1.69"**Research Program**" means the program of research conducted under this Agreement in accordance with a Research Plan, and, as applicable, all programs of research conducted under this Agreement in accordance with all Research Plans.

1.70"**Research Term**" means the period beginning on the Effective Date and ending, on a Research Program-by-Research Program basis, when Adimab delivers final antibodies under a Research Plan.

1.71"**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the term ending at the later to occur of (a) the expiration of the last Valid Claim Covering the Licensed Product in the country in which such Licensed Product is manufactured or sold, or (b) ten (10) years after the First Commercial Sale of such Licensed Product in such country.

1.72"**Senior Executive Discussions**" has the meaning set forth in Section 10.2(a).

1.73"**Surface**" has the meaning set forth in the recitals.

1.74"**Surface Indemnitees**" has the meaning set forth in Section 8.1.

1.75"**Surface Materials**" means (a) any tangible biological or chemical materials (including antigen samples and other Know-How in the form of tangible biological or chemical materials) provided by Surface to Adimab under a Research Program (other than commercial material purchased by Surface and delivered to Adimab), and (b) from and after the time of the Commercial Option exercise for a Target, the quantities of Licensed Antibody to such Target (and DNA encoding that Licensed Antibody) provided to Surface by Adimab under this Agreement.

1.76"**Surface Program Inventions**" means all Program Inventions made solely by employees of, or others obligated to assign Program Inventions to, Surface (or any of its Affiliates).

1.77"**Target**" means a target selected by Surface pursuant to Section 2.1(a).

1.78"**Target Questionnaire**" means the form of target questionnaire attached hereto as Exhibit A.

1.79"**Third Party**" means an entity other than a Party or the Affiliate of a Party.

1.80"**Third Party Claims**" has the meaning set forth in Section 8.1.

1.81"**Third Party Patent Licenses**" means Patent licenses obtained by Surface after Surface determines in good faith that one or more such Patent licenses from Third Parties are [***], in order to avoid Third Party claims of patent infringement [***] of a Licensed Antibody, [***]. For clarity, Third Party Patent Licenses explicitly excludes licenses to any of the foregoing:

(1)[***]

(2)[***]

(3)[***]

(4)[***]

(5)[***]

(6)[***]

(7)[***]

1.82"**Valid Claim**" means a claim of a Licensed Program Antibody Patent, which claim [***].

1.83 References in the body of this Agreement to "Sections" and "Articles" refer to the sections and articles of this Agreement. The terms "include," "includes," "including" and derivative forms of them shall be deemed followed by the phrase "without limitation" regardless of whether such phrase appears there (and with no implication being drawn from its inconsistent inclusion or non-inclusion), and the use of the word "or" shall not be exclusive.

1.84 To avoid doubt, the term "antibody" as used everywhere else in this Agreement includes both full-length antibodies, functional fragments thereof, and chemically modified versions thereof (including pegylated versions and regardless of whether containing amino acid substitutions), all of the foregoing whether naturally occurring, artificially produced, raised in an artificial system, or created through modification of an antibody produced in any of the foregoing ways or otherwise.

ARTICLE 2

PROGRAM.

2.1Research Programs.

(a)Target Selection. Surface shall nominate the first Target by providing notice of such Target to Adimab before the Effective Date. At any time prior to the expiration of the Discovery Term, Surface may initiate Research Programs with respect to additional Targets by notifying Adimab. In each case, such notice shall be in writing on a Target-by-Target basis, and shall be in the form of a completed Target Questionnaire with respect to each such Target and delivery of Surface's antigen for such Target. Adimab's obligation to perform such additional Research Programs shall be subject to the availability of Adimab researchers. Upon receipt of such notice by Adimab and Adimab's confirmation of availability, the Parties shall work together to prepare the content of a Research Plan with respect to such Target, including the relevant Deliverables and success criteria. Such Research Plan shall be based upon the form of Research Plan attached hereto as Exhibit B, and shall include Adimab's responsibilities with respect to the discovery and optimization of antibodies with respect to each Target. Each Research Plan shall be agreed upon in writing by the Parties, and each Research Program shall be conducted in accordance therewith. Neither Party is required to perform a Research Program under this Agreement if the Parties do not mutually agree in writing on Research Plan.

(b)Conduct of Research. Each Party shall use its commercially reasonable efforts to perform the Research Program activities assigned to such Party in each Research Plan and to achieve the

timeline(s) set forth in such Research Plan. Adimab's performance obligations under each Research Program shall be contingent upon Surface providing the Surface Materials, if any, set forth in the applicable Research Plan. Such Surface Materials are expected to include Target antigen. Adimab's obligations with regard to the performance of a particular Research Program shall expire at the end of the applicable Research Term. Adimab shall have the right to use Third Parties in the performance of its obligations hereunder, subject to Surface's prior written consent if such Third Party is not identified and the applicable work not described in the Research Plan (any such permitted Third Party, a "**Controlled Contractor**").

2.2Project Management.

(a)Scientific Research Committee. Promptly after the completion of the first Research Plan, the Parties shall form a steering committee consisting of [***] representatives from each Party with respect to the relevant Research Program (the "**Research Committee**") to oversee the Research Programs. The Research Committee's role is to facilitate communication regarding progress in relation to the Research Programs and the collaboration generally. Either Party may change its Research Committee members upon written notice to the other Party. The Research Committee may meet in person or by teleconference or videoconference. Each Party shall designate one of its Research Committee members as co-chair. The Research Committee shall meet from time to time promptly after the date of a written request by either Party. Additional members representing either Party may attend any Research Committee meeting. The co-chairs shall be responsible to circulate, finalize and agree on minutes of each meeting within [***] days after the meeting date. Upon expiration of the final Research Term, the Research Committee shall be disbanded.

(b)Decision Making. The Research Committee shall operate by consensus but solely within the limits specified in this Section 2.2, it being understood that if the co-chairs cannot agree with regards to a specific matter within their decision-making authority, no decision of the Research Committee shall be deemed taken by the Research Committee. The Research Committee shall have the limited authority to amend the Research Plans in a manner not substantially affecting resources required to perform, timing for performance, or success criteria. Except for the limited authority set forth in this Section 2.2, the Research Committee shall not have any decision-making authority and in no event shall the Research Committee shall have the power to amend or waive compliance with this Agreement.

(c)Alliance Managers. Each Party shall designate in writing within [***] days after signing an "Alliance Manager" to be the primary contact for such Party. The Alliance Manager shall be responsible for managing communications between the Parties with respect to a Research Program, including responsibility for scheduling teleconferences and coordinating Research Committee meetings.

(d)Exclusive Use of Campaign Manager. During the applicable Research Term and for a period of [***] year after, the person whom Adimab has designated as the "Campaign Manager" for a given Research Program shall not perform, or supervise the performance of, research relating to the same Target using Adimab Platform Technology for Adimab or its Affiliates (whether for their own account or on behalf of any Third Party). It is understood and agreed that if such a person is no longer in Adimab's or its Affiliate's employ, then such person's activities for another employer

are beyond the scope of (and are not Adimab's responsibility to prevent under) the foregoing sentence.

2.3Reports; Records.

(a)By Adimab. During the applicable Research Term, at the junctures specified in the applicable Research Plan, Adimab shall provide written reports to Surface regarding the Research Plan. Notwithstanding the foregoing or anything express or implied anywhere in this Agreement, Adimab shall not be required to disclose any Adimab Platform Technology or Adimab Platform Technology Improvements to Surface. Adimab shall maintain records, in sufficient details and in good scientific manner appropriate for patent purposes, which shall be complete and accurate and shall fully and properly reflect all work done and results achieved in the performance of a Research Program, by or on behalf of Adimab or any of its Affiliates or Controlled Contractors. All such records shall be kept in sufficient detail to identify and report those research activities conducted by Adimab, and shall be made available for inspection or copies provided to Surface upon Surface's request. In the event that such records and data include disclosure of Adimab Platform Technology or Adimab Platform Technology Improvements, Adimab may redact those portions as is necessary to protect Adimab Platform Technology or Adimab Platform Technology Improvements prior to any review or inspection by or delivery to Surface.

(b)By Surface. During the applicable Research Term, at the junctures set forth in the applicable Research Plan, for so long as Surface or any of its Affiliates, licensees or sublicensees continue to generate or test any Program-Benefited Antibodies, Surface shall provide written reports to Adimab which provide any data Surface is required to provide under the applicable Research Plan and shall disclose information regarding the existence and progress of all Program-Benefited Antibodies since the date of the last report. For clarity, the information reported by Surface after the Research Term shall be solely for the purpose of allowing Adimab to monitor Surface's obligations under this Agreement.

2.4Use of Adimab Materials. With respect to each Target, Surface and its Affiliates shall only use Adimab Materials (a) as is necessary to conduct a Research Program during the Research Term and the Evaluation Term, (b) pursuant to the license granted under Section 3.1(a) and Section 3.2(b) of this Agreement while such licenses are in effect, including for Permitted Comparisons, or (c) to generate and test Program-Benefited Antibodies in accordance with Section 9.4. Surface and its Affiliates shall not use Adimab Materials for any other purposes. Without limiting the foregoing, Adimab acknowledges and agrees that upon receipt of Program Antibodies, Surface may conduct testing on such Program Antibodies to optimize such Program Antibodies (and, to avoid doubt, the optimized versions thus created shall be Program-Benefited Antibodies).

Adimab retains title to the Adimab Materials, including all quantities of Program Antibodies that it provides under a Research Program, including during the Evaluation Term. During the Evaluation Term, such quantities of Program Antibodies are (i) for use solely in assessing whether to exercise the Commercial Option or Research Option for the applicable Target and for Permitted Comparisons, and (ii) shall not be used in humans or for any commercial purpose. Should Surface exercise neither its Research Option pursuant to Section 3.2(a) nor its Commercial Option pursuant to Section 3.3(a), Surface shall return to Adimab or destroy any Program-Benefitted Antibodies in its possession on expiration of the Evaluation Term for such Target. Surface shall destroy any

Licensed Research Antibodies in its possession on expiration of the relevant Research License Term. Without limiting the generality of the foregoing, during the Evaluation Term and after expiration of the Options, if unexercised, Surface shall not provide Program-Benefitted Antibodies to Third Parties, except as permitted by this Agreement.

2.5Use of Surface Materials. Adimab shall use the Surface Materials solely to perform the Research Program for the applicable Target. Adimab shall not transfer the Surface Materials outside of Adimab nor, for clarity, provide the Surface Materials to any Third Party. Within [***] days after the Research Term for such Target ends, Adimab will return to Surface or destroy any remaining Surface Materials (at Surface's direction).

2.6Certain Restrictions on the Use of Antibodies.

(a)Adimab Restrictions. For each Target, until the earlier of expiration of the Evaluation Term for such Target or Surface's exercise of its Commercial Option for such Target, Adimab shall not provide any of the Program Antibodies (or any of their Binding Sequence Information) to any Third Party in connection with performing a funded or sponsored research program for such Third Party. In addition, even if Surface does not exercise its Commercial Option for a particular Target, Adimab shall not file Program Antibody Patents for such Target or any patent application Covering any Program Antibody, unless independently rediscovered as contemplated below. For purposes of this Section 2.6, the performance of a program by Adimab means use of any of the Adimab Platform Technology to discover or optimize antibodies to the applicable Target based on activity against or with respect to such Target. Further, at all times, unless independently rediscovered without the use of (i) Surface Materials, (ii) Confidential Information of Surface (subject to Section 6.2(e)), (iii) any antibody library that is (A) [***] and (B) [***] (any such antibody library satisfying clauses (A) and (B)(1), a "**Naive Antibody Library**") or (2) created specifically for use in the Research Program and [***] from a Naive Antibody Library in a Research Program (any such antibody library satisfying clauses (A) and (B)(2) an "**Optimization Antibody Library**") and or any antibodies identified therefrom (including Program Antibodies), or any of their partial or whole sequences, or (iv) any Program Inventions to the extent solely owned by Surface based on the terms of this Agreement (subject to Section 6.2(e)), Adimab and its Affiliates shall not (I) provide the Program Antibodies or their Binding Sequence Information to any Third Party at any time, or any other antibody or their Binding Sequence Information identified from any Naive Antibody Library or Optimization Antibody Library under a Research Program or (II) use the Program Antibodies, any other antibody identified from any Naive Antibody Library or Optimization Antibody Library under a Research Program, or any of their Binding Sequence Information, to research, develop, manufacture or commercialize any biologic or drug products in for Adimab, its Affiliates or any Third Parties. Further, Adimab shall not perform any research, discovery or development with respect to a Target using any Naive Antibody Library or Optimization Antibody Library for which research, discovery or development was pursued with respect to such Target under a Research Program, and Adimab shall not provide (by any means, such as sale, license or transfer), any Naive Antibody Library or Optimization Antibody Library (or any substantial portion thereof) to any others.

To avoid doubt and notwithstanding anything to the contrary in this Agreement:

(i)nothing herein shall prevent Adimab from licensing or transferring some or all of the Adimab Platform Technology and/or Adimab Platform Technology Improvements to a Third Party (including technical support in connection therewith) nor shall anything herein require Adimab to in any way limit the use of the Adimab Platform Technology and/or Adimab Platform Technology Improvements by a Third Party, subject to the restrictions above regarding any Naive Antibody Library or Optimization Antibody Library and antibodies identified therefrom (including Program Antibodies), or any of their Binding Sequence Information; and

(ii)nothing herein shall require Adimab to physically remove from its libraries, or to prevent from being included in future libraries, any Program-Benefited Antibodies, but Adimab is limited with respect to the use of any Naive Antibody Library and Optimization Antibody Library as provided above. This Agreement expressly provides for a reserved right for Adimab, its Affiliates, and those deriving rights from them (a) to include Program-Benefited Antibodies in antibody library(ies) (other than Naive Libraries) transferred or licensed by Adimab to Third Parties (including the transfer of physical possession of samples of Program-Benefited Antibodies to a Third Party as part of such transactions) and (b) to conduct any activity with respect to Program-Benefited Antibodies that are not Licensed Antibodies under this Agreement if Adimab (or such other party) arrives at such Program-Benefited Antibodies in a manner fully compliant with Adimab's other covenants and obligations in this Agreement.

(iii) Adimab may independently regenerate Binding Sequence Information for any Program Antibodies without use or reference to any Program Inventions or any Naive Antibody Library or Optimization Antibody Library, other than Adimab Platform Technology Improvements (which nothing in this Agreement shall be read to restrict Adimab from using). In the case of independent rediscovery as provided above, Adimab shall be unrestricted in its use of and ability to provide the applicable independently rediscovered or independently regenerated antibodies to others.

(b)Surface Restrictions. Surface hereby covenants that it and its Affiliates shall not seek to or actually clinically develop or commercialize any Program-Benefited Antibody, or product containing either of the foregoing (other than the activities permitted hereunder during the Research Term and the Evaluation Term for the purpose of determining whether or not to exercise an Option for such Target), without first executing the Commercial Option with Adimab with respect to the applicable Target.

2.7Amendment and Restatement. The Parties hereby agree and acknowledge that this Agreement amends and restates the Original Agreement in its entirety and the Original Agreement is replaced with, and superseded by, this Agreement; *provided, however*, that, for the avoidance of doubt, any activities conducted under the Original Agreement shall be deemed to have been conducted under this Agreement.

ARTICLE 3

LICENSES; OPTION; DEVELOPMENT & COMMERCIALIZATION

3.1Mutual Research Program Licenses.

(a)To Surface. During the Research Term and Evaluation Term for each Target, Adimab hereby grants to Surface a non-exclusive, non-sublicensable license with respect to such Target, under the Adimab Platform Patents, Program Antibody Patents and Know-How Controlled by Adimab (or its Affiliates) during the term of this Agreement, to perform research, and to design, research, preclinically develop, make, import and use Program-Benefited Antibodies and Adimab Materials pertaining thereto in the Field, including for Surface to (i) evaluate Program-Benefited Antibodies, (ii) perform Permitted Comparisons and Surface's responsibilities under the Research Plan and this Agreement for each Target, and (iii) design, research, preclinically develop, make, import and use Program-Benefited Antibodies and Adimab Materials as Adimab Diagnostic Products. For clarity, the license to Surface excludes the right to [***] but includes the right to (1) perform Permitted Comparisons and (2) have others perform the licensed activities on behalf of Surface.

(b)To Adimab. During the Research Term and Evaluation Term for each Target, Surface hereby grants to Adimab a non-exclusive, nontransferable (except in connection with a permitted assignment of this Agreement) license (without the right to grant sublicenses except to Controlled Contractors) with respect to such Target under all Patents and Know-How Controlled by Surface (or its Affiliates) which Cover or relate to the Targets (including any that so relate by claiming antibodies directed to the Targets or a mechanism of action via the Targets) or any Surface Materials, solely to perform Adimab's responsibilities as provided for in the applicable Research Plan.

3.2Research Rights.

(a)Research Option. On a Target-by-Target basis, Adimab hereby grants to Surface the exclusive option (for each Target, a "**Research Option**") to obtain the licenses set forth in Section 3.2(b) for Licensed Research Antibodies to the Target, exercisable by written notice to Adimab and (i) payment by Surface to Adimab of [***] on or before the date that is [***] months after the date on which Technical Milestone 1 is achieved for the Target, or (ii) payment of Technical Milestone 2 with respect to the Target and on or before the expiry of the Evaluation Term. Surface shall, in its written notice to exercise the Research Option for a Target, specify up to ten (10) Program Antibodies against the Target as the "**Licensed Research Antibodies**". Upon such Research Option exercise, Adimab will provide to Surface sufficient materials to allow Surface to express any such Licensed Research Antibodies.

(b)Research License. Adimab hereby, effective on Surface's exercise of the Research Option for a Target and the applicable Licensed Research Antibodies:

(i)grants to Surface a worldwide, fully paid-up, sublicenseable through multiple tiers (solely as provided in Section 3.2(b)(ii)) license, under (A) the Adimab Platform Patents and, (B) any Licensed Program Antibody Patents, and (C) Know-How and other Patents Covering the Adimab Platform Technology, Adimab Platform Technology Improvements or Program Inventions, in each case, Controlled by Adimab (or its Affiliates) as of the start of and during the applicable Research License Term, to make, have made, import, have imported, export and have exported, in each case, for research purposes only, the Licensed Research Antibodies for such Target for a period beginning on the date of Surface's exercise of the Research Option for such Target and expiring on the date [***] years after such exercise (subject to Section 9.1) (the "**Research License Term**"). Such license shall be non-exclusive and shall exclude the use of any Licensed Research

Antibodies in humans. This license grant is granted by Adimab as of the Effective Date as a current license grant, subject only to the Research Option exercise by Surface but not any other action by Adimab.

(ii) The license granted under Section 3.2(b)(i) shall be sublicensable solely to (x) Controlled Contractors or (y) in connection with the sublicensing of commercial rights to a therapeutic product against the same Target, in either case, pursuant to sublicenses that are consistent with all relevant terms and conditions of this Agreement, including Sections 2.4 and 9.4 hereof. Surface shall remain responsible for all payments and other performance obligations due under this Agreement, notwithstanding any license or sublicense that it may grant.

3.3Commercial Rights.

(a)Commercial Option. On a Target-by-Target basis, Adimab hereby grants to Surface the exclusive option (for each Target, a "**Commercial Option**") to obtain the licenses of Section 3.3(b) for Licensed Antibodies to the Target, exercisable by payment of the Commercial Option Fee with respect to such Target to Adimab on or before the expiry of the Evaluation Term. Surface shall, in its written notice to exercise the Commercial Option for a Target, specify up to twenty (20) Program-Benefited Antibodies against the Target as the "**Licensed Antibodies**." Additionally, Surface shall have the exclusive option to obtain licenses for up to five (5) additional Licensed Antibodies ("**Additional Licensed Antibodies**"), up to a total of twenty-five (25) Licensed Antibodies, with each Additional Licensed Antibody beyond the initial twenty (20) increasing the Commercial Option Fee in accordance with Section 4.3. For clarity, Additional Licensed Antibodies shall be classified as "Licensed Antibodies" under this Agreement. Upon such Commercial Option exercise, Adimab will provide to Surface sufficient materials to allow Surface to express any such Licensed Antibodies that were generated in the Research Program. Notwithstanding the foregoing, Surface may elect to partially exercise the Commercial Option by paying sixty five percent (65%) of the Commercial

Option Fee and designating up to ten (10) Program-Benefited Antibodies as Licensed Antibodies; *provided, however*, that prior to the expiration of the Evaluation Term, Surface shall either (i) pay the remaining thirty five percent (35%) of the Commercial Option Fee and, at any time prior to the expiration of the Evaluation Term (even if after payment of the remaining thirty five percent (35%) of the Commercial Option Fee) designate additional Program-Benefited Antibodies as Licensed Antibodies such that the total number of Licensed Antibodies does not exceed twenty (20) or (ii) fail to pay the remaining thirty five percent (35%) of the Commercial Option Fee, in which case the Commercial Option shall be deemed not to have been exercised with respect to such Target and no Program-Benefited Antibodies against such shall be deemed Licensed Antibodies from that point forward.

(b)Development and Commercialization License and Assignment. Adimab hereby, effective on Surface's exercise of the Commercial Option for a Target and the applicable Licensed Antibodies:

(i)assigns to Surface, subject to the terms and conditions of this Agreement and without any further action required of either Party, all right, title and interest in and to those Licensed Program Antibody Patents that solely Cover those Licensed Antibodies, and at Surface's request, Adimab

will execute title transfer and recordation assignments for any such Licensed Program Antibody Patents; and

(ii)grants to Surface a worldwide, royalty-bearing, sublicenseable through multiple tiers (solely as provided in Section 3.3(b)(iii)) license, under (A) the Adimab Platform Patents, (B) those Licensed Program Antibody Patents which are not assigned to Surface pursuant to Section 3.3(b)(i) (for any reason, including bankruptcy and other like proceedings described in Section 9.7), and (C) Know-How Covering the Adimab Platform Technology, Adimab Platform Technology Improvements or Program Inventions, in each case, Controlled by Adimab (or its Affiliates) as of the start of and during the term of this Agreement, in the Field, to research, have researched, develop, have developed, commercialize, have commercialized, make, have made, use, have used, sell, have sold, offer to sell, have offered to sell, import, have imported, export and have exported the Licensed Antibodies and Licensed Products for such Target during the term of this Agreement (subject to Section 9.1). Such license shall be non-exclusive under the Adimab Platform Patents and Know-How, and exclusive (even as to Adimab and its Affiliates) under the Licensed Program Antibody Patents. This license grant is granted by Adimab as of the Effective Date as a current license grant, subject only to the Commercial Option exercise by Surface but not any other action by Adimab.

(iii) The license granted under Section 3.3(b)(ii) shall be sublicensable solely pursuant to sublicenses that are consistent with all relevant terms and conditions of this Agreement, including Section 9.4 hereof. Surface shall remain responsible for all payments and other performance obligations due under this Agreement, notwithstanding any license or sublicense that it may grant.

3.4Diligent Development and Commercialization. Surface shall, if it exercises the Commercial Option with respect to a Target, devote Commercially Reasonable Efforts to preclinically and clinically develop, seek Marketing Approval for in the Major Markets, and launch and actively commercialize in the Major Markets at least one (1) Licensed Antibody against such Target. Annually, Surface will provide Adimab with a written report of Licensed Product progress in development and commercialization, by Surface's and its Affiliates' activities in that regard. If requested by Adimab, Surface shall meet with Adimab to discuss such report once annually.

3.5No Implied Licenses. Other than the licenses, options and assignments explicitly set forth in this Agreement, neither Party grants any intellectual property licenses, options or assignments to the other Party under this Agreement. This Agreement does not create any implied licenses.

ARTICLE 4

FINANCIAL TERMS.

4.1Research Stage Fees.

(a)Research Funding. For each Research Program, Surface shall pay Adimab (i) an amount equal to [***] percent [***] of the estimated FTEs (at the FTE Rate) for the Research Program, such amount to be paid within [***] business days of agreement on a Research Plan, and (ii) within [***] business days of completion of a Research Program, an amount equal to [***] percent [***] of the actual FTEs expended by Adimab on the Research Program (at the FTE Rate) less the amount previous paid with respect to such Research Program pursuant to clause (i); *provided,*

however, that (1) such actual FTEs do not exceed the FTEs set forth in the applicable Research Plan (as amended from time to time) for such Research Program by more than [***] percent [***] and (2) Adimab has provided Surface with an invoice for each of such payments. Upon Surface's reasonable request, Adimab shall provide customary and reasonable documentation to evidence that all such amounts so paid by Surface were used on FTE's for the applicable Research Program.

(b)Technical Milestones. Surface shall pay Adimab two technical milestone fees with respect to each Research Program on each Target, as follows:

(i) The first technical milestone fee shall be equal to [***] for each Research Program, and such fee will be paid to Adimab by Surface within [***] business days of the later of (1) [***] and (2) provision by Adimab of an invoice for such payment to Surface; and

(ii) The second technical milestone fee shall be equal to [***] for each Research Program, and such fee will be paid to Adimab by Surface within [***] business days of the later of (1) [***] and (2) provision by Adimab of an invoice for such payment to Surface. In the event that the second technical milestone is met in the initial delivery, or in the event that the second technical milestone is met without payment of the first technical milestone, then, in either case, Surface shall pay both technical milestones.

4.2Research License Maintenance Fee. For each Research Option that is exercised by Surface, Surface shall pay an annual maintenance fee of [***] on each of the [***] anniversaries of the date of exercise of the relevant Research Option, subject to early termination as provided in this Agreement.

4.3Commercial Option Fee. In order to exercise the Commercial Option under Section 3.3(a) for a Target, Surface shall pay to Adimab a non-creditable, nonrefundable option exercise fee of [***] for each such Target (each, a "**Commercial Option Fee**"). If Surface elects to license Additional Licensed Antibodies, each Additional Licensed Antibody will increase the Commercial Option Fee by [***] up to a maximum Commercial Option Fee of [***] for each such Target.

4.4Milestone Payments. Subject to Section 4.7, for each Target, Surface shall report in writing to Adimab the achievement of each event (each, a "**Milestone Event**") and pay the corresponding development milestone payment (each, a "**Milestone Payment**") to Adimab, each within [***] days after the achievement of the corresponding milestone event in the following table (whether achieved by or on behalf of Surface or its Affiliates or any other entity acting on behalf of any of them or having received a license, sublicense or other rights from any of the foregoing with respect to a Licensed Product):

Milestone Event for each Licensed Product for a Target	**Milestone Payment**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Milestones Payments are payable one time only per Licensed Product, the first time each is achieved for such Licensed Product. If a subsequent Milestones Event is achieved for any Licensed

Product without a prior Milestone Event having been achieved for that Licensed Product, then Surface shall pay the Milestone Payment for such previous Milestone Event along with the payment for the most recently achieved Milestone Event. Notwithstanding the foregoing, if a Milestone Payment has been paid by Surface with respect to a Product that is then abandoned prior to the receipt of Marketing Approval by Surface, and Surface subsequently elects to research, develop and commercialize a back-up Product against the same Target, then no Milestone Payment shall be due for such previously paid Milestone Payment with respect to such back-up Product.

4.5Deferred Payment Option. The Commercial Option Fee and the Milestone Payments with respect to the first two Milestone Events set forth in Section 4.4 (i.e., those related to (a) [***] and (b) [***]) shall be deemed met and accrue when the Commercial Option is exercised or the applicable Milestone Event is achieved for a given Licensed Product, respectively and as the case may be. Surface may pay the Commercial Option Fee or the corresponding Milestone Payment, or Surface may provide written notice prior to the due date for such Commercial Option Fee or Milestone Payment of its election to delay payment of such amount until the earlier of (i) [***] (ii) [***] (iii) [***]. If Surface opts to delay any such payment, Surface shall pay Adimab, on the first business day of every calendar year, interest (each, an "**Interest Payment**") accrued on all such deferred amounts at a rate of [***] per [***] (calculated on a daily basis), from the date any such Commercial Option Fee and/or Milestone Payments are due hereunder until such Commercial Option Fee and/or Milestone Payments, and any interest thereon, are paid in full; *provided, however*, that if Surface ceases all research and development activities with respect to Program-Benefited Antibodies against the same Target for which a payment is delayed, then Surface shall not be obligated to make such Interest Payment and the applicable Commercial Option Fee and Milestone Payments, all of which are hereby forgiven in such circumstances; and *provided, further, however*, that in the event that Surface (or its Affiliate or licensee) subsequently resumes research or development on Program-Benefited Antibodies against such Target, Surface shall immediately pay to Adimab any unpaid Interest Payments (including any interest which has accrued on such Interest Payments during the period since Surface last made an Interest Payment to Adimab with respect to such Program-Benefited Antibody), and Surface shall resume the payment of Interest Payments on the first business day of the next calendar year.

4.6Royalties.

(a)Royalty Payments. Subject to Section 4.7, as to each Licensed Product sold during the applicable Royalty Term in a country, on a Licensed Product-by-Licensed Product basis, Surface shall pay Adimab the following royalties, based on the royalty rate applicable to the relevant portion of annual worldwide Net Sales for such Licensed Product during the applicable Royalty Term for such Licensed Product in such country ("**Royalty Payments**"):

Portion of Worldwide Calendar Year Net Sales	**Royalty Rate**
[***]	[***]
[***]	[***]

(b)Other Royalty Provisions. Only one royalty will be due with respect to the same unit of Licensed Product, even if such Licensed Product unit is comprised of more than one Licensed Antibody or any modified or derivative forms thereof.

(c)Adjustment for Third Party IP. If Surface or any of its Affiliates enters into any Third Party Patent Licenses, then [***] of the net sales royalties actually paid to the Third Party under the Third Party Patent License with respect to Net Sales of any given Licensed Product in any given calendar quarter in any given country may be offset against the royalty that would otherwise have been payable to Adimab with respect to such same Net Sales; *provided, however*, that in no event shall the royalty owed to Adimab be reduced by more than [***] than the payment which would otherwise be due hereunder with any excess carried over to future royalty period(s) until such excess may be used in compliance with this proviso.

It is understood, agreed and acknowledged that Adimab's allowing Surface to claim the credit of this Section 4.6 as to any particular Third Party Patent License: [***].

(d)Milestone Payments and Royalty Payments for Certain [***]. In the event that a single Licensed Product contains [***] Program Antibodies, [***], then (i) Surface shall owe only one Milestone Payment for the achievement of a given Milestone Event with respect to such Licensed Product, and (ii) Surface shall owe only one Royalty Payment with respect to any specific portion of Net Sales of such Licensed Product.

4.7Milestone Payments and Royalty Payments for Adimab Diagnostic Products for use with or in connection with External Products. Surface shall make the following payments with respect to Adimab Diagnostic Products for use with or in connection with External Products in lieu of the payments set forth in Sections 4.4 and 4.6(a).

[***]	[***]
[***]	[***]
[***]	[***]

For clarity, no payment is due under this Agreement (including under Section 4.4 or 4.6) with respect to (a) any Companion Diagnostic or Other Diagnostic Product (although payments shall be due under Sections 4.4 and 4.6(a) with respect to any applicable therapeutic Licensed Product(s)) or (b) any External Product. In addition, except as expressly provided in this Section 4.7, (i) milestone payments due for Adimab Diagnostic Products for use with or in connection with External Products are subject to the remaining terms and conditions of Section 4.4 (*mutatis mutandis*), and (ii) royalty payments due for Adimab Diagnostic Products for use with or in connection with External Products are subject to the remaining terms and conditions of Section 4.6 (*mutatis mutandis*).

4.8Quarterly Payment Timings. All royalties due under this Agreement shall be paid quarterly within [***] days after the end of the relevant calendar quarter for which royalties are due.

4.9Royalty Payment Reports. With respect to each calendar quarter, within [***] days after the end of the calendar quarter, Surface shall provide to Adimab a written report stating the number and description of all Licensed Products sold during the relevant calendar quarter; the gross sales associated with such sales; and the calculation of Net Sales on such sales. The report shall provide all such information on a country-by-country and Licensed Product-by-Licensed Product basis if reasonably available.

4.10Payment Method. All payments due under this Agreement to Adimab shall be made by bank wire transfer in immediately available funds to an account designated by Adimab. All payments hereunder shall be made in the legal currency of the United States of America, and all references to "**$**" or "**dollars**" shall refer to United States dollars (i.e., the legal currency of the United States).

4.11Taxes. The Parties agree to cooperate with one another and use reasonable efforts to minimize obligations for any and all income or other taxes required by applicable law to be withheld or deducted from any royalties, milestone payments or other payments made by Surface to Adimab under this Agreement, including by completing all procedural steps, and taking all reasonable measures, to ensure that any withholding tax is reduced or eliminated to the extent permitted under applicable law, including income tax treaty provisions and related procedures for claiming treaty relief. To the extent that Surface is required to deduct and withhold taxes on any payment to Adimab, Surface shall deduct and withhold such taxes and pay the amounts of such taxes to the proper government authority in a timely manner and promptly submit to Adimab an official tax certificate or other evidence of such withholding sufficient to enable Adimab to claim such payment of taxes. Surface shall provide Adimab with reasonable assistance in order to allow Adimab to recover, as permitted by applicable law, withholding taxes, value added taxes or similar obligations resulting from payments made hereunder or to obtain the benefit of any present or future treaty against double taxation which may apply to such payments. Adimab shall provide Surface with any tax forms that may be reasonably necessary in order for Surface to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral tax income treaty.

4.12Records; Inspection.

(a) Surface shall keep and ensure that its Affiliates keep complete and accurate records of its sales and other dispositions (including use in clinical trials, or provision on a compassionate use basis or as marketing samples) of Licensed Antibody and Licensed Product including all records that may be necessary for the purposes of calculating all payments due under this Agreement for a period of at least [***] years. Surface shall make such records available for inspection by an accounting firm selected by Adimab (and which is reasonably acceptable to Surface) at Surface's premises in the United States on reasonable notice during regular business hours as provided in Section 4.11(b).

(b) At Adimab's expense no more than [***] per calendar year, Adimab has the right to retain an independent certified public accountant from a nationally recognized (in the U.S.) accounting firm to perform on behalf of Adimab an audit, conducted in accordance with U.S. generally accepted accounting principles (GAAP), of such books and records of Surface and its Affiliates as are deemed necessary by the independent public accountant to report on Net Sales, for the period or periods requested by Adimab within the [***] most recent calendar years as of the date of the audit performance, and the correctness of any report or payments made under this Agreement. No period may be audited more than once. Prior to any review, such accounting firm shall have entered into a written agreement with Surface (or its Affiliates, licensees or sublicensees) limiting the use of such records to verification of the accuracy of payments due under this Agreement and prohibiting the disclosure of any information contained in such records to a Third Party and to Adimab for a purpose other than as set forth in this Section 4.11(b). The report of such accounting firm shall be limited to a certificate stating whether any report made or invoice or payment submitted by Surface

during such period is accurate or inaccurate and the actual amounts owed by or due under this Agreement to Adimab for such period.

(c) If the audit reveals an underpayment, Surface shall promptly pay to Adimab the amount of such underpayment plus interest in accordance with Section 4.15. Any overpayment made by Surface shall be fully creditable against amounts payable in subsequent payment periods or promptly refunded, at Adimab's election. Any audit by an independent certified public accounting firm under this Section 4.11 is to be made at the expense of Adimab, but if the audit reveals that the monies owed by Surface to Adimab has been understated by more than [***] percent [***] for the period audited, Surface shall, in addition, pay the reasonable out-of-pocket costs incurred by Adimab of such audit.

(d) The Parties agree that all information provided in a royalty payment report, all records kept by Surface or its Affiliates, licensees and sublicensees under this Section 4.11 or Section 4.12, and any information provided by the independent certified public accounting firm to Adimab are Confidential Information of Surface.

4.13Licensee/Sublicensee Reports, Records and Audits. If Surface grants any Product licenses or sublicenses, the agreements for such licenses and sublicenses shall include an obligation for the licensee or sublicensee to (i) maintain records adequate to document and verify the proper payments (including milestones and royalties) to be paid to Adimab; (ii) provide reports with sufficient information to allow such verification; and (iii) allow Adimab (or Surface if requested by Adimab) to verify the payments due (such audit right is not required to be any stronger than that of Section 4.11).

4.14Foreign Exchange. If any currency conversion shall be required in connection with the calculation of amounts payable hereunder, such conversion shall be made using the exchange rates (a) used by Surface (or the selling entity) for its own financial reporting purposes in its worldwide accounting system (which shall be consistent with applicable accounting standards), if Surface (or the selling entity) is a public company, or (b) if Surface is not a public company, then shall be determined the same way except that the rates shall be the average of the purchase and sale rates for U.S. Dollars for such day as reported on the fifth (5th) business day prior the payment due date for the purchase and sale of U.S. dollars, as reported by the Wall Street Journal, Eastern Edition (or if it no longer exists, a similarly authoritative source). With any payment in relation to which a currency conversion is performed to calculate the amount of payment due, Surface shall provide to Adimab a true, accurate and complete copy of the exchange rates used in such calculation.

4.15Non-refundable, non-creditable payments. Each payment that is required under this Agreement is non-refundable and non-creditable.

4.16Late Payments. Any amount owed by Surface to Adimab under this Agreement that is not paid within the applicable time period set forth herein will accrue interest at the rate of [***] percent [***] above the then-applicable short-term three-month London Interbank Offered Rate (LIBOR) as quoted in the Wall Street Journal, Eastern Edition (or if it no longer exists, a similarly authoritative source) calculated on a daily basis, or, if lower, the highest rate permitted under applicable law.

ARTICLE 5

Patent Ownership.

5.1Ownership and Inventorship.

(a)Program Patents. Adimab shall solely own, regardless of inventorship, all Patents Covering Adimab Platform Technology Improvements and, prior to Commercial Option exercise, all Program Antibody Patents. Surface shall own, regardless of inventorship, from and after the date of Commercial Option exercise, all Licensed Program Antibody Patents, subject to the terms and conditions of this Agreement. Ownership of all Program Patents other than those referred to in the foregoing two (2) sentences shall be owned based on inventorship. Program Inventions (to the extent not Patented and addressed above) that constitute Adimab Platform Technology Improvements shall be owned by Adimab and all other Program Inventions shall be owned by the Party that created it.

(b)Other Patents. To avoid doubt, nothing in this Agreement shall alter the ownership of the Parties' pre-existing Patents. Section 5.1(a) speaks only to ownership of Program Patents.

(c)Inventorship. Inventorship for purposes of this Agreement, and all intellectual property-related definitions in this Agreement, shall be determined in accordance with United States patent law for all Patents worldwide.

5.2Implementation.

(a)Assignments. Each Party hereby assigns to the other Party Program Inventions and associated Patents as necessary to achieve ownership as provided in Section 5.1. Each assigning Party shall execute and deliver all documents and instruments reasonably requested by the other Party to evidence or record such assignment or to file for, perfect or enforce the assigned rights. Each assigning Party hereby appoints the other Party as attorney-in-fact solely to execute and deliver the foregoing documents and instruments if such other Party after making reasonable inquiry does not obtain them from the assigning Party. Each Party (and its Affiliates) shall perform its activities under this Agreement through personnel who have made a similar assignment and appointment to and of such Party or any of its Affiliate. Each assigning Party shall make its relevant personnel (and their assignments and signatures on such documents and instruments) reasonably available to the other Party for assistance in accordance with this Article at no charge.

(b)Joint Ownership Implementation. As regards Joint Serendipitous Inventions and the Program Patents to the extent claiming them, either Party is entitled to practice and license them without consent of and without a duty of accounting to the other Party in accordance with the co-ownership rights of co-inventors under U.S. law, subject to the terms of this Agreement. Each Party hereby grants all permissions, consents and waivers with respect to, and all licenses under, the Joint Serendipitous Inventions and the Program Patents claiming them as necessary to achieve throughout the world the nature of joint ownership rights of the foregoing as described in Section 5.1 and the foregoing sentence and otherwise subject to the terms of this Agreement. To avoid doubt, this Section 5.2(b) does not imply any permission, consent or waiver with respect to, or

license under, any Patent or item of Know-How other than the Joint Serendipitous Inventions and the Program Patents to the extent claiming them.

5.3Disclosure. During the term of the Agreement, each Party shall promptly disclose to the other Party [***] any Program Inventions that would be Covered by Program Antibody Patents or in Surface's case that are Adimab Platform Technology Improvements (which, to avoid doubt, are assigned to Adimab under this Agreement). Such disclosure shall occur as soon as possible, but in any case within [***] days after the Party determines such Program Inventions have been invented. To avoid doubt, this Section 5.3 shall not be read to require Adimab to disclose Program Inventions constituting Adimab Platform Technology Improvements to Surface.

5.4Program Patent Prosecution.

(a)Adimab Platform Technology. Adimab shall have the sole right (but not the obligation) to Prosecute all Adimab Platform Patents, all at its own expense.

(b)Program Antibody Patents. Surface shall have the sole right (but not obligation except as provided below) to Prosecute all Program Antibody Patents, at Surface's expense, and prior to Commercial Option exercise, in Adimab's name, and after Commercial Option exercise, in Adimab's name to the extent that any Licensed Program Antibody Patent is not assigned to Surface pursuant to Section 3.3(b)(i). Such right shall continue for the duration of the longer of the Evaluation Term and, if Surface exercises the Commercial Option, the term of the license under Section 3.3(b)(ii), subject to all of the following:

(i) Prior to Commercial Option exercise, [***].

(ii) Prior to Commercial Option exercise, [***].

(iii) Both prior to and after Commercial Option exercise, Adimab shall have the right to review and comment on prosecution of the Program Antibody Patents, and Surface shall reasonably consider but is not required to accept any such comments. Adimab shall grant Surface the necessary authority to Prosecute the Program Antibody Patents (including that Adimab shall join any suit or action regarding the foregoing at Surface's request). Surface shall provide Adimab with copies of all correspondence with patent offices relating thereto (including office actions and the like) promptly after receipt and drafts of all filings and correspondence with such offices no less than [***] in advance of filing.

(iv) If Surface does *not* exercise the Commercial Option for a Target, then [***].

(v) If Surface *does* exercise the Commercial Option for a Target, then [***].

(vi)[***].

(vii) Surface shall use Commercially Reasonable Efforts to Prosecute at least one Licensed Program Antibody Patent in at least each country of the Major Markets.

(viii) Surface shall be solely responsible for all costs of the activities under this Section 5.4(b), except (A) as expressly provided under this Section 5.4(b) or (B) that to the extent Adimab hires

counsel to review and comment on Surface's prosecution then Adimab shall be solely responsible for the fees to such counsel.

(ix) Except as provided in this Agreement, Adimab shall not disclose or claim (or have or license any others to disclose or claim) any Program Antibody (or the Binding Sequence Information thereof) or any other antibody or their Binding Sequence Information identified from any Naive Antibody Library or Optimization Antibody Library, unless independently invented in a manner in compliance with the terms of this Agreement (including the restrictions on Naive Antibody Libraries and Optimization Antibody Libraries contained herein). For clarity, (1) Adimab shall not nor allow any others to refile or Prosecute any Patent applications [***] and (2) the foregoing prohibitions shall not prevent Adimab from filing broad Patents (such as, for example, Patents which Cover an antibody library) which Cover a Program Antibody or its Binding Sequence Information so long as Adimab does recite in any claim the such Program Antibody or its Binding Sequence Information in such Patent, and so long as Adimab does not disclose such Program Antibody or its Binding Sequence Information in such Patent.

(c)Responsibility. It is understood and agreed that searching for, identification and evaluation of Third-Party Patents that may apply to any Program Antibodies based on sequence, Target or the like is the responsibility of Surface and Adimab shall have no responsibility for the foregoing nor liability if any such Third-Party Patents exist.

(d)Serendipitous Program Inventions.

(i)Adimab Program Inventions. As between the Parties, Adimab shall have the sole right, at its sole expense, to prepare, file, prosecute, enforce and maintain (including conducting or participating in interferences and oppositions and the like) (collectively "**Prosecute**") all Patents directed to Adimab Program Inventions but not falling within the Program Antibody Patents or the Adimab Platform Technology Improvements (which, to avoid doubt, are both addressed above).

(ii)Surface Program Inventions. Surface shall be responsible, at its sole expense, to Prosecute all Program Patents directed to Surface Program Inventions but not falling within Program Antibody Patents or the Adimab Platform Technology Improvements (which, to avoid doubt, are both addressed above).

(iii)Serendipitous Joint Program Inventions. The Parties shall mutually agree which of them shall be responsible for either using its in-house patent attorneys or through mutually agreed upon outside counsel to Prosecute Program Patents directed to Joint Serendipitous Inventions, and how the costs of such activities will be shared.

5.5Patent Term Restoration. The Parties shall cooperate with each other, including by providing necessary information and assistance as the other Party may reasonably request, to obtain patent term restoration or supplemental protection certificates or their equivalents in any country where applicable to Licensed Program Antibody Patents. After Commercial Option exercise, if elections with respect to obtaining such patent term restoration are to be made with respect to Licensed Program Antibody Patents, and the Parties do not agree, Surface shall have the right to make the election and Adimab agrees to abide by such election.

5.6Cooperation of the Parties. At the reasonable request of the responsible (as provided for in this Article 5) Party, the other Party agrees to cooperate fully in the Prosecution of any Program Patents under this Agreement. Such cooperation includes executing all papers and instruments (or causing its personnel to do so) reasonably useful to enable the other Party to apply for and to prosecute patent applications in any country; and promptly informing the other Party of any matters coming to such Party's attention that may affect the Prosecution of any such Patents. Adimab shall not be required pursuant to this Section to disclose Adimab Platform Technology to Surface.

5.7Patent Challenges. If Surface or its Affiliates challenges in a court the validity, enforceability or scope of any Adimab Platform Patents or any Program Antibody Patent, then: [***].

ARTICLE 6

CONFIDENTIALITY; PUBLICITY.

6.1General.

(a) Any and all information disclosed or submitted in writing or in other tangible form -- or if disclosed orally, that is indicated to be confidential at the time of disclosure and confirmed in writing as such within [***] days after initial disclosure -- to one Party by the other Party under this Agreement or that certain Mutual Confidentiality Agreement between the Parties dated March 27, 2014 is the "**Confidential Information**" of the disclosing Party. In addition, information embodied in Adimab Materials is Adimab's Confidential Information, and information embodied in the Surface Materials is Surface's Confidential Information, and Program Antibodies will be treated as Surface's Confidential Information after Commercial Option exercise.

(b) To avoid doubt, sequence information (whether as to amino acid sequence or nucleic acid sequence) with respect to Program Antibodies shall be deemed the Confidential Information of Adimab, except that from and after the date of Commercial Option exercise, the sequence information as to the Licensed Antibodies shall be Confidential Information of Surface.

(c) Each Party shall receive and maintain the other Party's Confidential Information in strict confidence. Neither Party shall disclose any Confidential Information of the other Party to any Third Party. Neither Party shall use the Confidential Information of the other Party for any purpose other than as required to perform its obligations or exercise its rights hereunder. Each Party may disclose the other Party's Confidential Information to the receiving Party's directors, employees, contractors and advisors requiring access thereto for the purposes of this Agreement, *provided, however*, that prior to making any such disclosures, each such person shall be bound by written agreement to maintain Confidential Information in confidence, and not to use such information for any purpose other than, in accordance with the terms and conditions of this Agreement. Surface may disclose sequence data and other data generated under the Research Program to legal, financial and investment banking advisors, and potential and actual investors, lenders, financing sources, Change of Control counterparties, acquirers, collaborators, sublicensees and licensees and counsel for the foregoing, that are under legally binding obligations of confidence and limited use and to national patent offices in accordance with Section 5.4. Each Party agrees to take all steps necessary to ensure that the other Party's Confidential Information shall be maintained in

confidence including such steps as it takes to prevent the disclosure of its own proprietary and confidential information of like character. Each Party agrees that this Agreement shall be binding upon its Affiliates, and upon the employees and contractors involved in the Research Program of such Party and its Affiliates. Each Party shall take all steps necessary to ensure that its Affiliates and employees and contractors shall comply with the terms and conditions of this Agreement. The foregoing obligations of confidentiality and non-use shall survive, and remain in effect for a period of [***] years from, the termination or expiration of this Agreement in accordance with Article 9.

6.2Exclusions from Nondisclosure Obligation. The nondisclosure and nonuse obligations in Section 6.1 shall not apply to any Confidential Information to the extent that the receiving Party can establish by competent written proof that it:

(a)at the time of disclosure is publicly known;

(b)after disclosure, becomes publicly known by publication or otherwise, except by breach of this Agreement by such Party;

(c)was in such Party's possession in documentary form at the time of the earlier of disclosure hereunder and disclosure under the agreement referred to in Section 6.1;

(d)is received by such Party from a Third Party who has the lawful right to disclose the Confidential Information and who shall not have obtained the Confidential Information either directly or indirectly from the disclosing Party; or

(e)is independently developed by such Party (i.e., without reference to Confidential Information of the disclosing Party).

6.3Required Disclosures. If either Party is required to disclose any Confidential Information of the other Party, pursuant to a governmental law, regulation or order, or an order of a court of competent jurisdiction or to defend or prosecute litigation or as part of an arbitration; *provided, however*, that the receiving Party (i) shall give advance written notice to the disclosing Party, (ii) shall make a reasonable effort to assist the disclosing Party to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the law or regulation required and (iii) shall use and disclose the Confidential Information solely to the extent so required.

6.4Terms of Agreement. The terms of this Agreement are the Confidential Information of both Parties. However, each Party shall be entitled to disclose the terms of this Agreement under legally binding obligations of confidence and limited use to: legal, financial and investment banking advisors; and potential and actual investors, lenders, financing sources, Change of Control counterparties, acquirers, collaborators, sublicensees and licensees and counsel for the foregoing. In addition, if legally required, a copy of this Agreement may be filed by either Party with the SEC (or relevant ex-U.S. counterpart). In that case, the filing Party will if requested by the other Party diligently seek confidential treatment for terms of this Agreement for which confidential treatment is reasonably available, and shall provide the non-filing Party reasonable advance notice of the terms proposed for redactions and a reasonable opportunity to request that the filing Party make additional redactions to the extent confidential treatment is reasonably available under the law.

The filing Party shall seek and diligently pursue such confidential treatment requested by the non-filing Party.

6.5Return of Confidential Information. Promptly after the termination or expiration of this Agreement for any reason, each Party shall return to the other Party all tangible manifestations of such other Party's Confidential Information at that time in the possession of the receiving Party; *provided, however*, that the receiving Party shall be entitled to retain one (1) copy of such information solely for the purpose of monitoring such Party's surviving obligations under this Agreement. Electronic copies of Confidential Information contained in backups or electronic archives made in the normal course of the receiving Party's business shall not be required to be destroyed or returned in accordance with this Section 6.5.

6.6Publicity. Each of Adimab and Surface may publish a press release describing the collaboration, but without identifying the targets to be worked on or the economic terms of the collaboration. The Parties will agree on specific press release language promptly following the Effective Date. Other than repeating information in such press release (or any subsequent mutually agreed press release), neither Party will generate or allow any further publicity regarding this Agreement or the transaction or research contemplated hereunder in which the other Party is identified, without giving the other Party the opportunity to review and comment on the press release. The Parties recognize the importance of announcing Commercial Option exercise and the achievement of Milestones, and that Adimab is entitled to disclose these occurrences; *provided, however*, that Adimab may disclose the identity of Surface but will not disclose the identity of any of Surfaces' licensees, sublicensees or collaborators (if applicable) or the identity of the Target or the possible indication(s) (although the class of protein of the Target (but not the family) may be disclosed). Accordingly, the Parties hereby agree that each such event shall be publicly announced by the Parties if requested by Adimab, and the Parties shall mutually agree upon the text of a press release to announce each such event. Surface shall not unreasonably withhold its consent to the manner in which Adimab proposes to make such disclosure. It is understood and agreed that Adimab sometimes issues press releases that group multiple achievements of the company, and that if Adimab chooses to group the initially approved text or the announcement of Commercial Option exercise and/or a milestone achievement under this Agreement with other accomplishments or events not relating to this Agreement, then the only portion of the press release into which the Surface shall have a consent right (such consent not to be unreasonably withheld), shall be those portions that relate to this Agreement.

6.7Certain Data. Notwithstanding this Article 6, without disclosing Surface's (or any of its Affiliates' or licensees', sublicensees' or collaborators') identity or the identity of the Target or the possible indication(s), or information making such identities or indications reasonably discernable (although the class of protein of the Target (but not the family) may be disclosed), or the sequence of any Program Antibody, in order to describe the general capabilities and performance of the Adimab platform, Adimab shall be entitled to disclose generally Program Antibody attributes , including the following: (a) Program Antibody binding affinities (K_D), (b) expression range regarding Program Antibodies, and (c) germline distribution of Program Antibodies.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES.

7.1Mutual. Each of Adimab and Surface hereby represents and warrants to the other of them that the representing and warranting Party is duly organized in its jurisdiction of incorporation; that the representing and warranting Party has the full power and authority to enter into this Agreement; that this Agreement is binding upon the representing and warranting Party; that this Agreement has been duly authorized by all requisite corporate action within the representing and warranting Party; and that the execution, delivery and performance by the representing and warranting Party of this Agreement and its compliance with the terms and conditions hereof does not and shall not conflict with or result in a breach of any of the terms and conditions of or constitute a default under (a) any agreement or other instrument binding or affecting it or its Affiliate or the property of either of them, (b) the provisions of its bylaws or other governing documents or (c) any order, writ, injunction or decree of any governmental authority entered against it or by which any of its property is bound.

7.2Adimab. Adimab hereby represents, warrants and covenants to Surface that:

(a)[***]

(b)[***]

7.3DISCLAIMER OF WARRANTIES. OTHER THAN THE EXPRESS WARRANTIES OF SECTIONS 7.1 AND 7.2, EACH PARTY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR THAT ANY PRODUCTS DEVELOPED UNDER THIS AGREEMENT ARE FREE FROM THE RIGHTFUL CLAIM OF ANY THIRD PARTY, BY WAY OF INFRINGEMENT OR THE LIKE OR THAT ANY PROGRAM PATENTS WILL ISSUE OR BE VALID OR ENFORCEABLE.

ARTICLE 8

INDEMNIFICATION

8.1By Adimab. Adimab hereby agrees to indemnify, defend and hold harmless (collectively, "**Indemnify**") Surface, its Affiliates and its and their directors, officers, agents and employees (collectively, "**Surface Indemnitees**") from and against any and all liability, loss, damage or expense (including without limitation reasonable attorney's fees) (collectively, "**Losses**") they may suffer as the result of Third-Party claims, demands and actions (collectively, "**Third-Party Claims**") arising out of or relating to (a) any breach of a representation or warranty or covenant made by Adimab under Article 7 or otherwise of this Agreement, or (b) arising out of or in connection with or attributable to Adimab's negligence, gross negligence or willful misconduct in performance of any Research Plan, except to the extent of any Losses [***].

8.2By Surface. Surface hereby agrees that it and its licensees and sublicensees shall Indemnify Adimab, its Affiliates and its and their directors, officers, agents and employees (collectively, "**Adimab Indemnitees**") from and against any and all Losses they may suffer as the result of

Third-Party Claims arising out of or relating to (a) any breach of a representation or warranty or covenant made by Surface under Article 7 or otherwise of this Agreement, (b) Surface's research, testing, development, manufacture, use, sale, distribution, licensing and/or commercialization of Program Antibodies and/or Licensed Products (or Program-Benefited Antibodies or products incorporating them), (c) Target-related intellectual property (including Patents directed to antibodies based on their interaction with a Target), (d) Target-related or Surface Materials-related contractual obligations of Surface and its Affiliates, or (e) intellectual property applying to any Program Antibody based on its sequence or other characteristics (it being understood and agreed in accordance with Section 5.4(c) that Adimab does not perform intellectual property searches on Program Antibodies (including sequence-based searches) and this is the responsibility of Surface), except in each case to the extent of any Losses [***].

8.3Procedures. Each of the foregoing agreements to Indemnify is conditioned on the relevant Adimab Indemnitees or Surface Indemnitees (i) providing prompt written notice of any Third-Party Claim giving rise to an indemnification obligation hereunder, (ii) permitting the indemnifying Party to assume full responsibility to investigate, prepare for and defend against any such Third-Party Claim, (iii) providing reasonable assistance in the defense of such claim at the indemnifying Party's reasonable expense, and (iv) not compromising or settling such Third-Party Claim without the indemnifying Party's advance written consent. If the Parties cannot agree as to the application of the foregoing Sections 8.1 and 8.2, each may conduct separate defenses of the Third-Party Claim, and each Party reserves the right to claim indemnity from the other in accordance with this Article 8 upon the resolution of the underlying Third-Party Claim.

8.4Limitation of Liability. EXCEPT TO THE EXTENT SUCH PARTY MAY BE REQUIRED TO INDEMNIFY THE OTHER PARTY UNDER THIS ARTICLE 8 (INDEMNIFICATION) OR AS REGARDS A BREACH OF A PARTY'S RESPONSIBILITIES PURSUANT TO ARTICLE 6 (CONFIDENTIALITY; PUBLICITY), NEITHER PARTY NOR ITS RESPECTIVE AFFILIATES SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES HEREUNDER, WHETHER IN CONTRACT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE.

ARTICLE 9

TERM.

9.1Term. The term of this Agreement shall commence on the Effective Date and shall expire upon the later of (a) the earlier of (i) the expiration of the Commercial Option(s) and Research Option(s) (if they expire without being exercised), and (ii) expiration of 12 months from the Effective Date without Surface providing Surface Materials that successfully pass Adimab's QC; or (b) if at least one Research Option has been exercised but no Commercial Option has been exercised, upon the expiration of the last to expire Research License Term; or (c) on a country-by-country and Licensed Product-by-Licensed Product basis on the expiration of the last Royalty Term for a Licensed Product in the particular country, in each case, unless earlier terminated by a Party as set forth below in this Article 9. On expiration under (c) in a particular country, the license of Section 3.3(b)(ii) for the corresponding Licensed Product and its Licensed Antibody shall automatically convert to be perpetual, irrevocable, non-exclusive and fully-paid up in such country.

9.2Material Breach.

(a) Either Party may terminate this Agreement for the material breach of this Agreement by the other Party, if such breach remains uncured [***] days following notice from the non-breaching Party to the breaching Party specifying such breach.

(b) For Targets for which the Commercial Option or Research Option has been exercised, the foregoing Section 9.2(a) applies on a Target-by-Target basis to the extent that a breach relates to specific Targets, and such termination shall be applicable to only those Targets (and its associated Patents, Licensed Antibodies, Licensed Research Antibodies, and Licensed Products) to which the uncured the material breach relates.

(c) If there is a good faith dispute as to the existence or cure of a breach or default pursuant to Section 9.2(a), all applicable cure periods will be tolled during the existence of such good faith dispute and no termination for a breach which is disputed in good faith will become effective until such dispute is resolved pursuant to the process set forth in Section 10.2 and a [***] day cure period offered thereafter.

9.3Termination for Convenience. Surface may terminate this Agreement in its entirety on [***] prior written notice to Adimab. On a Target-by-Target basis, after Commercial Option or Research Option exercise, Surface may also terminate this Agreement as to all Licensed Antibodies, Licensed Research Antibodies and Licensed Products to a particular Target by [***] prior written notice to Adimab.

9.4Commitments Regarding Program-Benefited Antibodies. The Parties intend that if Surface, its licensees, or its sublicensees, or the Affiliate of any of the foregoing, will pursue any Program-Benefited Antibodies, they shall do so under this Agreement paying fees to Adimab as provided in Article 4. This Agreement gives Surface, its licensee, its sublicensee or the Affiliate of any of the foregoing the right to modify the Program Antibodies, by including modified versions of them and derivatives of them in the definition of "Licensed Antibodies" provided above. Surface, its licensee, its sublicensee or the Affiliate of any of the foregoing shall even be entitled to choose to pursue or use information obtained under this Agreement from Adimab to pursue an antibody not covered by the Program Antibody Patents, but only if Surface, its licensee, its sublicensee or the Affiliate of any of the foregoing treats the pursued antibody as milestone- and royalty-bearing under this Agreement to the extent such pursued antibody is a Program-Benefited Antibody. The Parties intend that Surface, its licensee, its sublicensee or the Affiliate of any of the foregoing shall not develop or commercialize a Program-Benefited Antibody, except in accordance with this Agreement (including exercising the Commercial Option and paying Adimab the Commercial Option Fee, Milestone Payments and royalties on the Program-Benefited Antibody product as (or as if) a Licensed Product under this Agreement). Accordingly, even if this Agreement expires or terminates (other than an expiration under Section 9.1 following a Commercial Option exercise after all Royalty Terms have expired for the applicable Program-Benefited Antibody or Licensed Product), Surface hereby covenants that Surface, its licensees and sublicensees and the Affiliates of any of the foregoing (a) shall not research, develop or commercialize any Program-Benefited Antibody or Licensed Product containing such an antibody except as a Licensed Product under this Agreement, and (b) shall not license or otherwise grant rights to any entity to do the foregoing.

9.5Survival in All Cases. Termination of this Agreement shall be without prejudice to or limitation on any other remedies available to nor any accrued obligations of either Party. In addition, Sections 2.3, 2.4, 2.5, 2.6, 3.5, 4.8 through 4.16 (with respect to payment obligations outstanding or having accrued as the effective date of termination or expiration), 5.1, 5.2, 5.4, 5.6, and 7.3, and Articles 1, 6, 8, 9 and 10 shall survive any expiration or termination of this Agreement. Further, upon termination of this Agreement by either Party under Section 9.2 or 9.3, Surface, its licensees and sublicensees, and their Affiliates will no longer develop or commercialize any Licensed Antibody or Licensed Product (subject to Section 9.2(b) for partial terminations).

9.6Survival of Sublicenses. In the event that the licenses granted to Surface under this Agreement are terminated, any granted sublicenses to Third Parties will remain, at any such Third Party's election, in full force and effect; provided, that the sublicense agreement is consistent with the terms of this Agreement, the sublicensee is not then in breach of its sublicense agreement, and such Third Party agrees to be bound to Adimab as a licensor under the terms and conditions of this Agreement (including payment obligations as reflected in this Agreement with respect to Adimab). In such event, Adimab will negotiate and enter into an appropriate license agreement with such Third Party incorporating the terms and conditions of this Agreement.

9.7Bankruptcy. All licenses and rights to licenses granted under or pursuant to this Agreement by Adimab to Surface are, and will otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that Surface, as a licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The Parties further agree that that upon commencement of a bankruptcy proceeding by or against Adimab under the Bankruptcy Code, Surface will be entitled to a complete duplicate of, or complete access to (as Surface deems appropriate), all such intellectual property and all embodiments of such intellectual property. Such intellectual property and all embodiments of such intellectual property will be promptly delivered to Surface (a) upon any such commencement of a bankruptcy proceeding and upon written request by Surface, unless Adimab elects to continue to perform all of its obligations under this Agreement, or (b) if not delivered under (a) above, upon the rejection of this Agreement by or on behalf of Adimab and upon written request by the Surface. Adimab (in any capacity, including debtor-in-possession) and its successors and assigns (including any trustee) agrees not to interfere with the exercise by Surface or its Affiliates of its rights and licenses to such intellectual property and such embodiments of intellectual property in accordance with this Agreement, and agrees to assist Surface and its Affiliates in obtaining such intellectual property and such embodiments of intellectual property in the possession or control of Third Parties as reasonably necessary or desirable for Surface to exercise such rights and licenses in accordance with this Agreement. The foregoing provisions are without prejudice to any rights Surface may have arising under the Bankruptcy Code or other applicable law. Notwithstanding the foregoing in this Section 9.7, nothing in this Section 9.7 shall be read to entitle Surface to obtain disclosure of or access to Adimab Platform Technology (including Adimab Platform Technology Improvements), whether or not as an "embodiment," "update," or otherwise, at any time, and Surface shall not under any circumstances notwithstanding anything express or implied in this Agreement be entitled to disclosure of Adimab Platform Technology or Adimab Platform Technology Improvements.

9.8Return of Adimab Materials. Except as otherwise provided in Section 2.4, on a Target-by-Target basis, Surface shall either return to Adimab or destroy all Adimab Materials (other than Adimab Materials relating to Licensed Antibodies) upon expiration or termination of the Evaluation Term without any Commercial Option or Research Option being exercised, and all Adimab Materials on expiration (other than for any Licensed Product and the corresponding Licensed Antibody an expiration under Section 9.1 following a Commercial Option exercise and after all Royalty Terms for such Licensed Product have expired) or termination of this Agreement.

ARTICLE 10

MISCELLANEOUS.

10.1Independent Contractors. The Parties shall perform their obligations under this Agreement as independent contractors. Nothing contained in this Agreement shall be construed to be inconsistent with such relationship or status. This Agreement and the Parties' relationship in connection with it shall not constitute, create or in any way be interpreted as a joint venture, fiduciary relationship, partnership or agency of any kind.

10.2Dispute Resolution.

(a)Initial Dispute Resolution. Either Party may refer any dispute in connection with this Agreement ("**Dispute**") not resolved by discussion of the BD/Contract Liaisons to senior executives of the Parties (for Adimab, its CEO or his designee and for Surface, its CEO or his designee) for good-faith discussions over a period of not less than sixty (60) days (the "**Senior Executives Discussions**"). Each Party will make its executives reasonably available for such discussions.

(b)Disputes Not Resolved Between the Parties. If the Parties are unable to resolve the dispute through the Senior Executives Discussions within such sixty (60) days, then either Party may, as the sole and exclusive means for resolving disputes under this Agreement, proceed to demand confidential arbitration by written notice to the other Party and making a filing with the AAA in accordance with Section 10.2(c). For clarity, each Party hereby acknowledges that both the fact of and nature of a dispute is the Confidential Information of both Parties, and any disclosure of the fact of or the nature of such a dispute would be highly damaging to the non-disclosing Party.

(c)Arbitration.

(i) Any Dispute referred for arbitration shall be finally resolved by binding arbitration in accordance with the most applicable rules of the American Arbitration Association ("**AAA**") and judgment on the arbitration award may be entered in any court having jurisdiction.

(ii) The arbitration shall be conducted by a panel of three (3) people experienced in the business of biopharmaceuticals. If the issues in dispute involve scientific, technical or commercial matters, then any arbitrator chosen under this Agreement shall have educational training and/or industry experience sufficient to demonstrate a reasonable level of relevant scientific, technical and commercial knowledge as applied to the pharmaceutical industry. If the issues in dispute involve patent matters, then at least one (1) of the arbitrators shall be a licensed patent attorney or otherwise

knowledgeable about patent law matters. Within [***] days after a Party demands arbitration, each Party shall select one person to act as arbitrator, and the two Party-selected arbitrators shall select a third arbitrator within [***] days after their own appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, then the third arbitrator shall be appointed by the AAA. The place of arbitration shall be Boston, Massachusetts. All proceedings and communications as part of the arbitration shall be in English. Following selection of the third arbitrator, the arbitrators shall complete the arbitration proceedings and render an award within [***] months after the last arbitrator is appointed.

(iii) Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' fees and any administrative fees or arbitration, unless in each case the arbitrators agree otherwise, which they are hereby empowered, authorized and instructed to do if they determine that to be fair and appropriate.

(iv) Except to the extent necessary to confirm an award or as may be required by law, regulation, or the requirement of any exchange on which a Party's shares are traded, neither Party shall disclose the existence, content or results of an arbitration under this Agreement without the prior written consent of the other Party.

(v) In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the subject matter of the Dispute would be barred by the applicable statute of limitations under New York law.

10.3Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts, excluding its conflicts of laws principles; *provided, however*, that matters of Patent law will be determined in accordance with the United States federal law. Any and all judicial resolutions of disputes in connection with this Agreement shall be in federal or state court located in Massachusetts, and each Party hereby consents to the jurisdiction and venue of such courts, and waives all defenses it may have to such jurisdiction and venue, including that the court cannot assert personal jurisdiction over the defendant and *forum non conveniens*.

10.4Entire Agreement. This Agreement (including its Exhibits) set forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and supersedes and terminates all prior agreements and understandings between the Parties with respect to such subject matter (including that certain Mutual Confidentiality Agreement between the Parties dated March 27, 2014). No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by the respective authorized officers of the Parties.

10.5Assignment. Neither Party may assign in whole or in part this Agreement without the advance written consent of the other Party, except as set forth in the following sentence. Either Party may assign this Agreement in its entirety to the successor to all or substantially all of its stock or assets to which this Agreement relates in connection with its merger with, or the sale of all or substantially all of its stock or assets to which this Agreement relates to, another entity, regardless of the form of the transaction (including any Change of Control). In addition, Adimab may assign this

Agreement or any of its rights under this Agreement, in connection with the sale of, monetization of, transfer of, or obtaining financing on the basis of the payments due to Adimab under this Agreement or debt or project financing in connection with this Agreement. Also, Surface may assign its rights and obligations under this Agreement on a Target-by-Target basis, at any time after Commercial Option exercise for the particular Target, to any entity to which Surface assigns all or substantially all of its assets with respect to such Target (and its related Patents, Licensed Antibodies and Licensed Products); *provided, however*, [***]. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Notwithstanding the foregoing, Adimab may not assign or otherwise transfer (by operation of law or otherwise) this Agreement if the assignee does not assume all of Adimab's obligations under this Agreement or Adimab does not remain bound to perform all obligations that are not assigned to the assignee. Any assignment of this Agreement not made in accordance with this Agreement is prohibited hereunder and shall be null and void.

10.6Severability. If one or more of the provisions in this Agreement are deemed unenforceable by law, then such provision shall be deemed stricken from this Agreement and the remaining provisions shall continue in full force and effect.

10.7Force Majeure. Both Parties shall be excused from the performance of their obligations under this Agreement to the extent that such performance is prevented by a Force Majeure and the nonperforming Party promptly provides notice of the prevention to the other Party. Such excuse shall be continued so long as the condition constituting Force Majeure continues and the nonperforming Party takes reasonable efforts to remove the condition, but no longer than [***], whereupon the other Party may assert breach by the nonperforming Party.

10.8Notices. Any notice required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given for all purposes if mailed by first class certified or registered mail, postage prepaid, delivered by express delivery service or personally delivered. Unless otherwise specified in writing, the mailing addresses of the Parties shall be as described below.

If to Adimab:

Adimab, LLC
7 Lucent Drive
Lebanon, NH 03766
Attention: General Counsel

with a required copy to:

Attention: Head, Business Development at the same address.

In the case of Surface:

Surface Oncology, Inc.
25 First Street
Suite 303
Cambridge, MA 02141

Attn: Chief Executive Officer

10.9Construction. This Agreement has been prepared jointly and shall not be strictly construed against either Party. Ambiguities, if any, in this Agreement shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision.

10.10Headings. The headings for each article and section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on, nor to be used to interpret, the meaning of the language contained in the particular article or section.

10.11No Waiver. Any delay in enforcing a Party's rights under this Agreement or any waiver as to a particular default or other matter shall not constitute a waiver of such Party's rights to the subsequent enforcement of its rights under this Agreement, excepting only as to an express written and signed waiver as to a particular matter for a particular period of time executed by an authorized officer of the waiving Party.

10.12Performance by Affiliates. A Party may perform some or all of its obligations under this Agreement through Affiliate(s) or may exercise some or all of its rights under this Agreement through Affiliates, or in the case of Adimab, Controlled Contractors, which will be treated as "Affiliates" for purposes of this Section 10.12. However, each Party shall remain responsible and be guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. In particular and without limitation, all Affiliates of a Party that receive Confidential Information of the other Party pursuant to this Agreement shall be governed and bound by all obligations set forth in Article 6, and shall (to avoid doubt) be subject to the intellectual property assignment and other intellectual property provisions of Article 5 as if they were the original Party to this Agreement (and be deemed included in the actual Party to this Agreement for purposes of all intellectual property-related definitions). A Party and its Affiliates shall be jointly and severally liable for their performance under this Agreement.

10.13Counterparts. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed to be an original, and which collectively shall be deemed to be one and the same instrument. In addition, signatures may be exchanged by facsimile or PDF.

[Remainder of Page Left Intentionally Blank; Signature Page Follows]

In Witness Whereof, the Parties have by duly authorized persons executed this Agreement as of the Effective Date.

Surface Oncology, Inc.:	**Adimab, LLC:**
By: /s/ J. Jeffrey Goater	By: /s/ Tillman Gerngross
Title: CEO	Title: CEO
Date: 10/4/2018	Date: 10/3/2018

Exhibits List

A - Target Questionnaire

Partner Target Questionnaire

Selection of Human Antibodies Binding To Target

Adimab Confidential - Sample Work Plan
Page 1

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Partner Completed Target Questionnaire

Information you are able to provide about your target will help Adimab design a customized selection strategy and detailed work plan. This will ultimately allow Adimab to deliver antibodies that fit your desired properties.

Overview

The primary factors that determine the successful outcome of an IgG library screen are
(i) the quality of the antibody library
(ii) the quality and consistency of the antigens used in the selection process

While Adimab has taken extensive steps to ensure the quality of its libraries, the antigen used to interrogate our library is provided by the Partner and must be properly characterized to meet screening requirements. Adimab has compiled the following set of criteria to help ensure the quality of the antigen(s) used in the selection process which will ultimately lead to a successful campaign. Any additional information the Partner can provide relating to your antigen is valuable. **When multiple forms of the antigen are available, and are used in the selection, it increases the potential success of the campaign.** As an example, an RTK-ECD can be supplied as both an Fc-fusion protein and as a tagged monomeric protein, or produced and purified using preferred host expression systems and purification tags.

Target (sample answers provided below in blue**)**

- What is the nature of your target (e.g., extracellular domain of a membrane protein)?
    - Serum enzyme
- Does your target protein have an affinity tag?
    - If yes, what tag?
        - C-terminus His-tag
- Are you aware of any post-translational modification to your target protein (e.g., N-glycosylation, O-glycosylation or phosphorylation)?
    - None

- Is your target a chimeric protein (e.g., Fc-fusion protein)?
    - No
- Does your target protein interact with other proteins or form complexes?
    - Yes
- Does your target exist naturally as a monomer, dimer, trimer, etc.?
    - Target is naturally monomeric
- Is your target available in multiple formats (e.g., monomeric, dimeric, multiple tags, etc.)?
    - No
- How stable is your target protein (e.g., stability @ 4°C, freeze thaw cycle data)?
    - Stable at +4°C for months
- Do you have access to 10 nmol quantities (e.g., ~1 mg of 75 kDa protein) of your target protein?
    - Yes
- Do you have cell-based or other assays to determine the bioactivity of your target?
    - Yes, there are cell-based assays in place
- Is cross-reactivity of your final antibody essential (e.g., cross-reactivity to murine, cynomolgus or macaque target)?
    - Cross-reactivity to murine and macaca ortholog mandatory
    - If yes, what is the homology between antigens?
        - Specificity versus family members is mandatory. Family members are also available

Adimab Confidential - Sample Work Plan

Adimab
The power of integration.

Mode of action

- Could you describe the profile of your “ideal antibody” (e.g., affinity, specificity, mechanism of action, expressability, etc.)?

    - Affinity to human and murine targets: $K_D \leq 10$ nM and koff ≤ 5x10-4s-1
    - Specificity: selective versus family members and cross reactive with murine and macaca targets. Competes with control mAb provided
- Do you wish to disrupt a protein-protein interaction (e.g., a receptor-ligand interaction or dimerization)?
    - We do not know at this stage
- Do you have an existing antibody (murine or other) that binds to your target?
    - Yes
- If yes, does the antibody have the "biology" you are looking for?
    - We have already mAbs close to what we are looking for, that we'll use internally for comparison
- Are you looking to discover an antibody against a known epitope?
    - No
- Can you describe the desired biological mode of action for the antibodies to be discovered?
    - No
- What *in vitro* and *in vivo* screening assays are you planning to do in-house with purified IgGs discovered by Adimab?
- Is ADCC expected to be important?
    - ADCC not important

Work Plan

Human Antibodies Binding To

Goal:

Adimab Confidential - Work Plan

TABLE OF CONTENTS

Profile of Desired Antibody

Section A: RESEARCH PLAN

Research Materials

Overview of Project Flow

Phase 1: Reagent Generation

Phase 2: Naïve Selection and Characterization of Human Antibodies Binding To Target

Phase 3: Assessment of IgGs

Phase 4: Optimization of nominated IgGs

Phase 5: Analysis of IgGs

Phase 6: Scaling of IgGs or Fabs

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Exhibit 10.32

COLLABORATION AGREEMENT

by and between

SURFACE ONCOLOGY, INC.

and

NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

TABLE OF CONTENTS

EXHIBITS AND SCHEDULES

COLLABORATION AGREEMENT

THIS COLLABORATION AGREEMENT (this "**Agreement**"), entered into as of January 9, 2016 (the "**Effective Date**"), is entered into by and between Surface Oncology, Inc., a corporation organized and existing under the Laws of the State of Delaware ("**Surface**"), and Novartis Institutes for BioMedical Research, Inc., a corporation organized and existing under the Laws of the State of Delaware ("**Novartis**"). Surface and Novartis are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**".

RECITALS:

WHEREAS, Surface discovers, researches and develops next-generation approaches to cancer immunotherapy based on proprietary insights about novel immunotherapy targets and emerging areas of cancer immuno-biology;

WHEREAS, Novartis and its Affiliates possess expertise in discovering, developing, manufacturing, marketing, and selling pharmaceutical products worldwide; and

WHEREAS, Surface and Novartis desire to collaborate to research, develop and commercialize new cancer immunotherapies, and Novartis would obtain certain rights to the technology and products discovered in such collaboration.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, the Parties hereby agree as follows:

1. DEFINITIONS

1.1. Definitions.

Unless specifically set forth to the contrary herein, the following terms, whether used in the singular or plural, will have the respective meanings set forth below:

1.1.1. "**AAA**" has the meaning set forth in Section 16.3.3.

1.1.2. "**Accounting Standards**" means, GAAP, with respect to Surface and IFRS, with respect to Novartis, in each case, as generally and consistently applied throughout the Party's organization. Each Party shall promptly notify the other in the event that it changes the Accounting Standards pursuant to which its records are maintained; provided, however, that each Party may only use internationally recognized accounting principles (e.g. IFRS, GAAP, etc.).

1.1.3. "**Acquirer**" means, collectively, the Third Party referenced in the definition of Change of Control and such Third Party's Affiliates, other than the applicable Party in the definition of Change of Control and such Party's Affiliates, determined as of immediately prior to the closing of such Change of Control.

1.1.4. "**Adimab Agreement**" means that certain Development and Option Agreement, dated as of July 3, 2014, by and between Adimab, LLC ("**Adimab**") and Surface, as such agreement may be amended, restated or otherwise replaced from time to time to the extent permitted under Section 12.4.3 of this Agreement.

1.1.5. "**Additional Development Activities**" has the meaning set forth in Section 5.2.2.4(a).

1.1.6. "**Additional Development Data Package**" has the meaning set forth in Section 5.2.2.4(d).

1.1.7. "**Additional Development Opt-In Date**" has the meaning set forth in Section 5.2.2.4(d).

1.1.8. "**Additional Development Opt-In Notice**" has the meaning set forth in Section 5.2.2.4(d).

1.1.9. "**Additional Development Proposal**" has the meaning set forth in Section 5.2.2.4(a).

1.1.10. "**Affiliate**" means, with respect to a Person, any other Person that controls, is controlled by, or is under common control with such Person. For purposes of this Agreement, a Person will be deemed to control another Person if it owns or controls, directly or indirectly, more than fifty percent (50%) of the equity securities of such other Person entitled to vote in the election of directors (or, in the case that such other Person is not a corporation, for the election of the corresponding managing authority), or otherwise has the power to direct the management and policies of such other Person. The Parties acknowledge that in the case of certain entities organized under the laws of certain countries outside the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage will be substituted in the preceding sentence, provided that such foreign investor has the power to direct the management and policies of such entity.

1.1.11. "**Alliance Manager**" has the meaning set forth in Section 2.1.

1.1.12. "**Annual Net Sales**" mean Net Sales recorded in a given Calendar Year.

1.1.13. "**Antibody**" means any [***] provided however, that solely for purposes of Section 12.5, the term "Antibody" shall be deemed to include those molecules that meet the criteria of (a) through (c) and for which [***] For clarity, [***]

1.1.14. "**Antibody Candidates**" means the T1 Antibody Candidates, the Option Target Antibody Candidates, the Regional Antibody Candidates and the Global Antibody Candidates.

1.1.15. "**Antitrust Laws**" means any federal, state or foreign law, regulation or decree, including the HSR Act, designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade.

1.1.16. "**Audited Party**" has the meaning set forth in Section 10.12.3.

1.1.17. "**Auditing Party**" has the meaning set forth in Section 10.12.3.

1.1.18. "**Auditor**" has the meaning set forth in Section 10.12.3.

1.1.19. "**Bankruptcy Code**" has the meaning set forth in Section 15.4.

1.1.20. "**Bankrupt Party**" has the meaning set forth in Section 9.7.

1.1.21. "**Biosimilar Application**" means an application submitted to the FDA under subsection (k) of Section 351 of the PHSA, or any analogous application submitted to a Regulatory Authority in the United States or in another country in the world.

1.1.22. "**Biosimilar Product**" means, with [***] a product that [***]

1.1.23. "**BLA**" means (a) a Biologics License Application as defined in the FD&C Act and the regulations promulgated thereunder, (b) a Marketing Authorization Application ("**MAA**") in the EU, or (c) any equivalent or comparable application, registration or certification in any other country or region.

1.1.24. "**Brief**" has the meaning set forth in Section 16.3.4.2(b).

1.1.25. "**Business Day**" means a day other than a Saturday, Sunday or a bank or other public holiday in Massachusetts or New York in the United States or Basel, Switzerland.

1.1.26. "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31 of each Calendar Year.

1.1.27. "**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.1.28. "**cGCP**" means the ethical, scientific, and quality standards required by FDA for designing, conducting, recording, and reporting trials that involve the participation of human subjects, as set forth in FDA regulations in 21 C.F.R. Parts 11, 50, 54, 56, and 312 and related FDA guidance documents, and by the International Conference on Harmonization E6: Good Clinical Practices Consolidated Guideline, or as otherwise required by applicable Laws.

1.1.29. "**cGLP**" means current good laboratory practice as required by the FDA under 21 C.F.R. part 58 and all applicable FDA rules, regulations, orders and guidances, and the requirements with respect to current good laboratory practices prescribed by the European Community, the OECD (Organization for Economic Cooperation and Development Council) and the ICH Guidelines, or as otherwise required by applicable Laws.

1.1.30. "**cGMP**" means current good manufacturing practices as required by the FDA under provisions of 21 C.F.R. parts 210 and 211 and all applicable FDA rules, regulations, orders and guidances, and the requirements with respect to current good manufacturing practices prescribed by the European Community under provisions of "The Rules Governing Medicinal Products in the European Community, Volume 4, Good Manufacturing Practices, Annex 13, Manufacture of Investigational Medicinal Products, July 2003," or as otherwise required by applicable Laws.

1.1.31. "**Change of Control**" means, with respect to a Party, (a) a merger or consolidation of such Party with a Third Party that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent at least fifty percent (50%) of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger or consolidation, (b) a transaction or series of related transactions in which a Third Party, together with its Affiliates, becomes the direct or indirect beneficial owner of fifty percent (50%) or more of the combined voting power of the outstanding securities of such Party, or (c) the sale or other transfer to a Third Party of all or substantially all of such Party's and its controlled Affiliates' assets.

1.1.32. "**Clinical Study**" means a Phase 1 Study, Phase 2 Study, Phase 3 Study, Post-Marketing Study, Supplemental Study or other study (including a non-interventional study) in humans to obtain information regarding the product, including information relating to the safety, tolerability, pharmacological activity, pharmacokinetics, dose ranging or efficacy of the product.

1.1.33. "**Clinical Study Phase**" means a Phase 1 Study, Phase 2 Study or Phase 3 Study, as applicable.

1.1.34. "**Collaboration**" means the collaboration of the Parties under this Agreement, including the Research, Development, Commercialization and Manufacture of Antibody Candidates and Licensed Products in the Field.

1.1.35. "**Collaboration Component**" means, with respect to a Combination, the portion of such Licensed Product comprising an Antibody Candidate. If the applicable Combination includes more than one Antibody Candidate, then "**Collaboration Component**" shall refer to each such Antibody Candidate.

1.1.36. "**Collaboration In-License**" has the meaning set forth in Section 9.5.1.3.

1.1.37. "**Combination**" means any Combination Product or Combination Therapy.

1.1.38. "**Combination Product**" means a product that includes an Antibody Candidate and at least one (1) additional active ingredient that is not an Antibody Candidate that is either co-formulated or administered through a single formulation, including, for clarity, an Antibody Candidate comprising a bi-specific Antibody. [***] For clarity [***]

1.1.39. "**Combination Therapy**" means a therapy that includes an Antibody Candidate and at least one (1) additional active ingredient that is not an Antibody Candidate [***]

1.1.40. "**Combination Trial**" means a Clinical Study that is designed to provide safety, dose ranging, dose selection or efficacy data for a Combination.

1.1.41. "**Commercialization**" **or** "**Commercialize**" means any and all activities directed to marketing, promoting, distributing, importing, exporting, using, offering to sell or selling a product, and activities directed to obtaining Pricing Approvals, as applicable.

1.1.42. "**Commercialization Plans**" means, collectively, the T1 Commercialization Plan, the Novartis Commercialization Plan, the Surface Commercialization Plan and the Global Licensed Product Commercialization Plan.

1.1.43. "**Commercially Reasonable Efforts**" means, with respect to a Party [***]

1.1.44. "**Committee**" means the Joint Steering Committee, Joint Research Committee, Joint Development Committee or Joint Commercialization Committee, or any other subcommittee established under Section 2.2.3.11, as applicable.

1.1.45. "**Competing Program**" means a Surface Competing Program or a Novartis Competing Program, as applicable.

1.1.46. "**Competitive Infringement**" means, [***] where the making, using, selling, offering for sale, or importing, by any Third Party (other than any Sublicensee or authorized purchaser or other transferee of such Licensed Product), of any pharmaceutical product comprising [***] For clarity, [***]

1.1.47. "**Competitive (Novartis) Infringement**" means Competitive Infringement with respect to any Licensed Product in the Novartis Territory, but does not include any Competitive (Surface) Infringement.

1.1.48. "**Competitive (Surface) Infringement**" any means Competitive Infringement with respect to any Regional Licensed Product in the Surface Territory, and does not include any Competitive (Novartis) Infringement.

1.1.49. "**Completion**" means, with respect to a Phase 1 Safety Study of a Licensed Product, [***] days from the date of the last patient last dose for such Phase 1 Safety Study (and for clarity not any later portions of the applicable Phase 1 Study, other than such Phase 1 Safety Study as so defined).

1.1.50. "Component" means a Collaboration Component or a Party Component.

1.1.51. "**Component Value"** means, with respect to a Component of a Combination, the value of such Component as determined in accordance with Exhibit A-1.

1.1.52. "**Confidential Information**" means any and all confidential or proprietary information and data and all other scientific, pre-clinical, clinical, regulatory, manufacturing, marketing, financial and commercial information or data, whether communicated in writing or orally or by any other method, which is or has been provided by one Party to the other Party in connection with this Agreement.

1.1.53. "**Control**" means, with respect to any Patents or Know-How, the possession (whether by ownership, license or sublicense, other than by a license, sublicense or other right granted (but not assignment) pursuant to this Agreement) by a Party of the ability to assign or grant to the other Party the licenses, sublicenses or rights to access and use such Patents or Know-How as provided for in this Agreement, without, other than with respect to any In-Licenses, paying any consideration to any Third Party (now or in the future) or violating the terms of any agreement or other arrangement with any Third Party in existence as of the time such Party would be required hereunder to grant such license, sublicense, or rights of access and use. Notwithstanding anything in this Agreement to the contrary, [***]

1.1.54. "**Cover**", "**Covering**" or "**Covered**" with respect to each Licensed Product, means that, but for a license granted to a Person under a claim included in a Patent, the use, sale, offer for sale or importation of such Licensed Product in the Field in the Territory by such Person would infringe such claim.

1.1.55. "**CREATE Act**" has the meaning set forth in Section 14.1.2.

1.1.56. "**CRO**" means a contract research organization.

1.1.57. "**Develop**" and "**Development**" means any and all clinical drug development activities conducted before or after obtaining Regulatory Approval that are reasonably related to or leading to the development, preparation, and submission of data and information to a Regulatory Authority for the purpose of obtaining, supporting or expanding Regulatory Approval or to the appropriate body for obtaining, supporting or expanding Pricing Approval, including all activities related to pharmacokinetic profiling, design and conduct of Clinical Studies, regulatory affairs, statistical analysis, report writing, and regulatory filing creation and submission (including the services of outside advisors and consultants in connection therewith).

1.1.58. "**Development Costs**" means, with respect to a Licensed Target, those costs and expenses [***]

1.1.59. "**Developmental Milestone Event**" has the meaning set forth in Section 10.7.

1.1.60. "**Developmental Milestone Payment**" has the meaning set forth in Section 10.7.

1.1.61. "**Development Plans**" means, collectively, the T1 Development Plan, the RLP Development Plan, and the Global Development Plan.

1.1.62. "**Disputes**" has the meaning set forth in Section 16.3.1.

1.1.63. "**DOJ**" means the U.S. Department of Justice.

1.1.64. "**Dollars**" or "**$**" means the legal tender of the United States of America.

1.1.65. "**Early Global Development Term**" means, on a Global Target-by-Global Target basis, the time period commencing on the [***] and ending upon the date of [***]

1.1.66. "**Early RLP Development Term**" means, on a Regional Target-by-Regional Target basis, the time period commencing on [***] and ending upon the [***]

1.1.67. "**Effective Date**" has the meaning set forth in the preamble.

1.1.68. "EMA" means the European Medicines Agency and any successor Governmental Authority having substantially the same function.

1.1.69. "**Equity Agreements**" means (a) Series A-1 Stock Purchase Agreement, by and among Surface and the Purchaser listed on Schedule 1 thereto, dated as of the Effective Date; (b) Amendment No. 1 to Investors' Rights Agreement, by and among Surface and the investors party thereto, dated as of the Effective Date; (c) Amendment No. 1 to Voting Agreement, by and among Surface and the stockholders party thereto, dated as of the Effective Date; (d) Amendment No. 1 to Right of First Refusal and Co-Sale Agreement, by and among Surface and the stockholders party thereto, dated as of the Effective Date; and (e) Participation Agreement, by and between Surface and Novartis, dated as of the Effective Date, in each case ((a)-(e)) as may be amended or restated from time to time.

1.1.70. "**EU**" means the European Union, as its membership may be constituted from time to time, and any successor thereto.

1.1.71. "**Exclusivity Period**" means (a) for each Option Target, from the [***] until the earliest of [***]

1.1.72. "**Executive Officer**" means, for Surface, its Chief Executive Officer, and for Novartis, its President or another senior executive designee with responsibilities and seniority comparable thereto; provided that any of the foregoing individuals may designate the Chief Financial Officer as his/her designee for financial related matters. In the event that the position of any of the Executive Officers identified in this Section 1.1.72 no longer exists due to a Change of Control, corporate reorganization, corporate restructuring or the like that results in the elimination of the identified position, the applicable Executive Officer will be replaced with another executive officer with responsibilities and seniority comparable to the eliminated Executive Officer.

1.1.73. "**Existing Novartis In-License**" means any agreements entered into by Novartis or an Affiliate with a Third Party prior to the Effective Date, including any amendments or restatements thereto during the Term in accordance with Section 12.4.3, pursuant to which Novartis or any of its Affiliates Controls any Novartis Technology, but excluding any Collaboration In-License to which Novartis or its Affiliates is a Party.

1.1.74. "**Existing Surface In-License**" means any agreements entered into by Surface or an Affiliate with a Third Party prior to the Effective Date, including any amendments or restatements thereto during the Term in accordance with Section 12.4.3, pursuant to which Surface or any of its Affiliates Controls any Surface Technology, but excluding any Collaboration In-License to which Surface or its Affiliates is a Party.

1.1.75. "**Expedited Arbitration**" has the meaning set forth in Section 16.3.4.1.

1.1.76. "**Expedited Dispute**" has the meaning set forth in Section 16.3.4.1.

1.1.77. "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.1.78. "**FD&C Act**" means the United States Federal Food, Drug and Cosmetic Act, as amended.

1.1.79. "**Field**" means [***]

1.1.80. "**Finance Officers**" has the meaning set forth in Section 10.6.1.

1.1.81. "**First Commercial Sale**" means, on a Licensed Product-by-Licensed Product, and country-by-country basis, the first commercial sale in an arms' length transaction of a Licensed Product to a Third Party by a Party or any of its Related Parties in such country following receipt of applicable Regulatory Approval of such Licensed Product in such country. For clarity, the First Commercial Sale shall not include any distribution or other sale solely for patient assistance, named patient use, compassionate use, or test marketing programs or non-registrational studies or similar programs or studies where the Licensed Product is supplied without charge or at the actual manufacturing cost thereof (without allocation of indirect costs or any markup).

1.1.82. "**FTC**" means the U.S. Federal Trade Commission or any successor agency thereto.

1.1.83. "FTE" means a full-time scientific or technical person, or in the case of less than a full-time scientific or technical person, a full-time equivalent scientific or technical person year, carried out by an appropriately qualified employee of a Party or its Related Parties, based on [***] person-hours per year. For clarity, indirect personnel (including support functions such as managerial, financial, legal or business development) shall not constitute FTEs.

1.1.84. "**FTE Costs**" means, for any period, the FTE Rate multiplied by the number of FTE's in such period. For clarity, FTEs will be pro-rated on a daily basis if necessary.

1.1.85. "**FTE Rate**" means [***] per one (1) full FTE per full twelve (12) month Calendar Year, [***] Notwithstanding the foregoing, for any Calendar Year during the Term that is less than a full year, the above referenced rate will be proportionately reduced to reflect such portion of FTEs for such full Calendar Year.

1.1.86. "**GAAP**" means generally accepted accounting principles as practiced in the United States, as consistently applied.

1.1.87. "**Global Antibody Candidate**" means, on a Global Target-by-Global Target basis, any Antibody that [***]

1.1.88. "**Global Development Plan**" has the meaning set forth in Section 5.3.2.

1.1.89. "**Global Licensed Product**" means, on a Global Target-by-Global Target basis [***]

1.1.90. "**Global Licensed Product Commercialization Plan**" has the meaning set forth in Section 6.3.2.

1.1.91. "**Global Net Sales Royalty**" has the meaning set forth in Section 10.9.2.

1.1.92. "**Global Option**" means an Option that is (a) designated as a Global Option in accordance with Section 4.2.3, or (b) otherwise designated as or converted into a Global Option in accordance with the terms of this Agreement.

1.1.93. "**Global Royalty Rates**" has the meaning set forth in Section 10.9.2.

1.1.94. "**Global Target**" means an [***]

1.1.95. "**GLP Toxicology Study**" means a toxicology study, in species that satisfies applicable regulatory requirements, using applicable cGLP that meets the standard necessary for submission as part of an IND Filing with the applicable Regulatory Authority.

1.1.96. "**Global Transition Activities**" has the meaning set forth in Section 5.3.3.

1.1.97. "**Global Transition Plan**" has the meaning set forth in Section 5.3.3.

1.1.98. "**Governmental Authority**" means any applicable government authority, court, tribunal, arbitrator, agency, department, legislative body, commission or other instrumentality of (a) any government of any country or territory, (b) any nation, state, province, county, city or other political subdivision thereof or (c) any supranational body.

1.1.99. "**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

1.1.100. "**HSR Filing**" has the meaning set forth in Section 4.2.6.6.

1.1.101. "**IFRS**" means International Financial Reporting Standards, as consistently applied.

1.1.102. "**IL-27**" means [***]

1.1.103. "**IND**" means an Investigational New Drug application, clinical trial application or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirement of such Regulatory Authority, and any amendments thereto.

1.1.104. "IND Acceptance" means the acceptance by a Regulatory Authority in a Major Market Country of an IND.

1.1.105. "**IND Filing**" means the filing with a Regulatory Authority in a Major Market Country of an IND.

1.1.106. "**Indemnified Party**" has the meaning set forth in Section 13.4.

1.1.107. "**Indemnifying Party**" has the meaning set forth in Section 13.4.

1.1.108. "**Indication**" means a disease or pathological condition for which clinical results for such disease or condition and a separate BLA application or a supplement (or other addition) to an existing BLA application is required for the purpose of obtaining Regulatory Approval in a country.

1.1.109. "**Initiation**" means, with respect to a Clinical Study of a Licensed Product, [***]

1.1.110. "**In-Licenses**" means, collectively, all Existing Surface In-Licenses, all Existing Novartis In-Licenses and all Collaboration In-Licenses.

1.1.111. "**IP Committee**" means the intellectual property advisory committee as more fully described in Section 14.3.1.

1.1.112. "**JCC**" has the meaning set forth in Section 2.5.1.

1.1.113. "**JDC**" has the meaning set forth in Section 2.4.1.

1.1.114. "**Joint Collaboration IP**" means, collectively, (a) [***]

1.1.115. "**JRC**" has the meaning set forth in Section 2.3.1.

1.1.116. "**JSC**" has the meaning set forth in Section 2.2.1.

1.1.117. "**Know-How**" means all commercial, technical, scientific and other know-how and information, trade secrets, knowledge, technology, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, specifications, data and results (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, preclinical, clinical, safety, manufacturing and quality control data and know-how, including regulatory

data, study designs and protocols), and Materials, in all cases, whether or not confidential, proprietary, patented or patentable, in written, electronic or any other form now known or hereafter developed.

1.1.118. "**Late Global Development Term**" means, on a Global Target-by-Global Target basis, the time period commencing [***] and ending upon [***]

1.1.119. "**Late RLP Development Term**" means, on a Regional Target-by-Regional Target basis, the time period commencing [***] and ending [***]

1.1.120. "**Laws**" means all applicable laws, statutes, rules, regulations, orders, judgments, injunctions, ordinances or other pronouncements having the binding effect of law of any Governmental Authority, including if either Party is or becomes subject to a legal obligation to a Regulatory Authority or other Governmental Authority (such as a corporate integrity agreement or settlement agreement with a Governmental Authority).

1.1.121. "**Lead Party**" has the meaning set forth in Section 14.4.2.3(a).

1.1.122. "**Licensed Products**" means collectively, the T1 Licensed Products, the Global Licensed Products, and the Regional Licensed Products.

1.1.123. "**Licensed Targets**" means the T1 Target, the Regional Targets and the Global Targets.

1.1.124. "**Losses**" has the meaning set forth in Section 13.1.

1.1.125. "**Loss of Market Exclusivity**" shall mean [***]

1.1.126. "**MAA**" shall have the meaning in Section 1.1.23.

1.1.127. "**Major Market Countries**" means the [***]

1.1.128. "**Manufacturing**" or "**Manufacture**" means all activities related to the manufacture of Antibody Candidates or Licensed Products, including, but not limited to, manufacturing supplies for Research, Development or Commercialization, packaging, in-process and finished product testing, release of product or any component or ingredient thereof, quality assurance and quality control activities related to manufacturing and release of product, ongoing stability tests, storage, shipment, and regulatory activities related to any of the foregoing.

1.1.129. "**Manufacturing Costs**" has the meaning set forth on Exhibit B, subject to Section 8.3.2.3.

1.1.130. "**Mark-Up**" means a [***]

1.1.131. "**Materials**" means all tangible compositions of matter, devices, articles of manufacture, assays, biological, chemical or physical materials and other similar materials.

1.1.132. "**Milestone Payments**" has the meaning set forth in Section 10.8.

1.1.133. "**Net Sales**" means, with respect to a Licensed Product, the net sales on behalf of a Party and any of its Related Parties for any Licensed Product sold to Third Parties (other than Sublicensees) in bona fide, arms-length transactions, as determined in accordance with such Party's Accounting Standards as consistently applied, less a deduction of [***] percent [***%] for direct expenses related to the sales of Licensed Product(s), distribution and warehousing expenses and uncollectible amounts on previously sold Licensed Products. The deductions booked on an accrual basis by such Party and its Affiliates under its Accounting Standards to calculate the recorded net sales from gross sales include the following:

1.1.133.1. [***]

1.1.133.2. [***]

1.1.133.3. [***]

1.1.133.4. [***]

1.1.133.5. [***]

1.1.133.6. [***]

1.1.133.7. [***] and

1.1.133.8. [***]

With respect to a Combination, [***]

1.1.134. "**Net Sales Royalties**" means the Regional Net Sales Royalty, the T1 Net Sales Royalty and the Global Net Sales Royalty.

1.1.135. "**Non-Bankrupt Party**" has the meaning set forth in Section 9.7.

1.1.136. "**Non-Proposing Party**" has the meaning set forth in Section 5.2.2.4(a).

1.1.137. "**Novartis Collaboration IP**" means [***]

1.1.138. "**Novartis Competing Program**" has the meaning set forth in Section 12.5.2.2(a).

1.1.139. "**Novartis Component**" means a Party Component Controlled by Novartis or its Related Parties.

1.1.140. "**Novartis Deferral Notice**" has the meaning set forth in Section 4.2.3.2.

1.1.141. "**Novartis Election**" has the meaning set forth in Section 8.3.1.3.

1.1.142. "**Novartis Indemnitees**" has the meaning set forth in Section 13.2.

1.1.143. "**Novartis In-Licenses**" means any Existing Novartis In-License or any Collaboration In-License to which Novartis is a party.

1.1.144. "**Novartis Know-How**" means Know-How Controlled by Novartis or its Affiliates during the Term that is reasonably necessary for Surface to Research, Develop, Commercialize or Manufacture Antibody Candidates or Licensed Products in the Field in the Surface Territory, other than Novartis's interest in Joint Collaboration IP, and Novartis Collaboration IP.

1.1.145. "**Novartis Option Target Manufacturing Election**" has the meaning set forth in Section 8.2.3.

1.1.146. "**Novartis Patents**" means [***]

1.1.147. "**Novartis Regional Net Sales Royalty**" has the meaning set forth in Section 10.9.3.1.

1.1.148. "**Novartis Regional Royalty Rate**" has the meaning set forth in Section 10.9.3.1.

1.1.149. "**Novartis RLP Trademarks**" has the meaning set forth in Section 14.9.2.2.

1.1.150. "**Novartis Technology**" means, collectively, Novartis Know-How, Novartis Patents, Novartis Collaboration IP and Novartis's interest in Joint Collaboration IP.

1.1.151. "**Novartis Territory**" means (a) with respect to any T1 Licensed Product, worldwide, (b) with respect to any Regional Licensed Product, all countries and territories of the world other than the Surface Territory, and (c) with respect to any Global Licensed Product, worldwide.

1.1.152. "**Novartis Territory Commercialization Plan**" has the meaning set forth in Section 6.2.3.

1.1.153. "**Other Patents**" has the meaning set forth in Section 14.3.3.1.

1.1.154. "**Option**" has the meaning set forth in Section 4.1.1.

1.1.155. "**Option Exercise Date**" means, on an Option-by-Option basis, the date on which an Option Exercise Notice delivered by Novartis to Surface for such Option pursuant to Section 4.2.6 takes effect.

1.1.156. "**Option Exercise Notice**" means the written notice Novartis delivers to Surface to exercise an Option with respect to an Option Target, in the form set forth on Exhibit C, containing the information set forth in such form.

1.1.157. "**Option Exercise Period**" means, on an Option-by-Option basis, [***]

1.1.158. "**Option IND Package**" means, on an Option Target-by-Option Target basis, [***] the information set forth on Schedule 1.1.158 for such Option Target.

1.1.159. "**Option Purchase Fee**" has the meaning set forth in Section 10.3.

1.1.160. "**Option Purchase Notice**" means the written notice Novartis delivers to Surface to purchase an Option for an Option Target, in the form set forth on Exhibit D, containing the information set forth in such form.

1.1.161. "**Option Purchase Period**" means, on an Option Target-by-Option Target basis, the time period commencing [***] and ending [***].

1.1.162. "**Option Selection Notice**" has the meaning set forth in Section 4.2.3.1.

1.1.163. "**Option Target**" means any of the following: (a) CD47 (NCBI Entrez Gene ID:961), [***] (d) IL-27.

1.1.164. "**Option Target Antibody Candidate**" means, on an Option Target-by-Option Target basis, any Antibody that (a) Specifically Binds to such Option Target, and (b) is Researched by or on behalf of Surface or its Related Parties pursuant to this Agreement under the applicable Option Target Research Program; provided that after a Change of Control of a Party, [***]

1.1.165. "**Option Target Research Plan**" has the meaning set forth in Section 3.2.1.

1.1.166. "**Option Target Research Program**" has the meaning set forth in Section 3.2.1.

1.1.167. "**Option Tox Package**" means, on an Option Target-by-Option Target basis, the information set forth on Schedule 1.1.167 for such Option Target.

1.1.168. "**Opt-Out Notice**" has the meaning set forth in Section 5.2.9.

1.1.169. "**Opt-Out Right**" means Surface's right to opt-out of the Development and Commercialization of all Regional Antibody Candidates and Regional Licensed Products for a Regional Target in accordance with Section 5.2.9.

1.1.170. "**Out-of-Pocket Costs**" means, with respect to certain activities hereunder [***]

1.1.171. "**Party Component**" means, with respect to a Combination, the portion of such Licensed Product comprising any active ingredient(s) other than an Antibody Candidate. If the applicable Combination includes more than one such active ingredient, then "**Party Component**" shall refer to each such active ingredient.

1.1.172. "**Patent**" means all patents and patent applications and all substitutions, divisions, continuations, continuations-in-part, any patent issued with respect to any such patent applications, any reissue, reexamination, utility models or designs, renewal or extension (including any supplementary protection certificate) of any such patent, and any confirmation patent or registration patent or patent of addition based on any such patent, and all counterparts thereof in any country.

1.1.173. "**Patent(s) Costs**" means the out-of-pocket costs and expenses paid to outside legal counsel and other Third Parties (including to any licensor pursuant to any in-license), and filing and maintenance expenses, incurred in Prosecuting and Maintaining Patents and enforcing and defending them.

1.1.174. "**Person**" means any natural person, corporation, unincorporated organization, partnership, association, sole proprietorship, joint stock company, joint venture, limited liability company, trust or government, or Governmental Authority, or any other similar entity.

1.1.175. "**Phase 1 Safety Study**" means [***]

1.1.176. "**Phase 1 Study**" means a clinical study of an investigational product in patients with the primary objective of characterizing its safety, tolerability, and pharmacokinetics and identifying a recommended dose and regimen for future studies as described in 21 C.F.R. 312.21(a), or a comparable Clinical Study prescribed by the relevant Regulatory Authority in a country other than the United States. The investigational product can be administered to patients as a single agent or in combination with other investigational or marketed agents and [***]

1.1.177. "**Phase 2 Study**" means a clinical study of an investigational product in patients with the primary objective of characterizing its activity in a specific disease state as well as generating more detailed safety, tolerability, and pharmacokinetics information as described in 21 C.F.R. 312.21(b), or a comparable Clinical Study prescribed by the relevant Regulatory Authority in a country other than the United States including a human clinical trial that is also designed to satisfy the requirements of 21 C.F.R. 312.21(a) or corresponding foreign regulations and is subsequently optimized or expanded to satisfy the requirements of 21 C.F.R. 312.21(b) (or corresponding foreign regulations) or otherwise to enable a Phase 3 Clinical Study (e.g., a phase 1/2 trial). The investigational product can be administered to patients as a single agent or in combination with other investigational or marketed agents and [***]

1.1.178. "**Phase 3 Study**" means a clinical study of an investigational product in patients that incorporates accepted endpoints for confirmation of statistical significance of efficacy and safety with the aim to obtain Regulatory Approval in any country as described in 21 C.F.R. 312.21(c), or a comparable Clinical Study prescribed by the relevant Regulatory Authority in a country other than the United States. The investigational product can be administered to patients as a single agent or in combination with other investigational or marketed agents [***]

1.1.179. "**PHSA**" means the United States Public Health Service Act, as amended.

1.1.180. "**Potential In-License**" has the meaning set forth in Section 9.5.1.3.

1.1.181. "**Post-Marketing Study**" means a non-human or human clinical study of a Licensed Product initiated after receipt of Regulatory Approval for such Licensed Product in a country or territory, that is required by the Regulatory Authority in such country or territory to maintain the Regulatory Approval for such Licensed Product in such country or territory, but excluding any Supplemental Study.

1.1.182. "**Pricing Approval**" means such governmental approval, agreement, determination or decision establishing prices for a Licensed Product that can be charged or reimbursed in regulatory jurisdictions where the applicable Governmental Authorities approve or determine the price or reimbursement of pharmaceutical products.

1.1.183. "**Pricing Matters**" means all issues and decisions regarding (a) price, price terms and other contract terms with respect to Licensed Product sales, including discounts, rebates, other price concessions and service fees to payors and purchasers and (b) reimbursement programs applicable to a Licensed Product. For clarity, [***]

1.1.184. "**Product Global Trademarks**" means the Trademarks used, or intended for use, in connection with the distribution, marketing, promotion and sale of the T1 Licensed Products and Global Licensed Products by Novartis and its Related Parties in the Novartis Territory. Product Global Trademarks specifically exclude the corporate names and logos of the Parties and their Affiliates.

1.1.185. "**Promotional Materials**" has the meaning set forth in Section 6.2.5.2.

1.1.186. "**Proposing Party**" has the meaning set forth in Section 5.2.2.4(a).

1.1.187. "**Prosecution and Maintenance**" means, with regard to a particular Patent, the preparation, filing, prosecution and maintenance of such Patent, as well as re-examinations, reissues and the like with respect to that Patent, together with the conduct of interferences, the defense of oppositions and other similar proceedings with respect to that Patent.

1.1.188. "**Prosecution Patents**" means (a) all Patents within the Surface Technology that are Controlled by Surface as of the Effective Date and (b) all Patents within the Surface Collaboration IP that, in each case ((a) and (b)), [***]

1.1.189. "**Regional [***] Activities**" has the meaning set forth in Section 4.2.6.4.

1.1.190. "**Regional [***] Candidate**" has the meaning set forth in Section 4.2.6.4.

1.1.191. "**Regional Antibody Candidate**" means, on a Regional Target-by-Regional Target basis, any Antibody that [***]

1.1.192. "**Regional Licensed Product**" means, on a Regional Target-by-Regional Target basis, a [***]

1.1.193. "**Regional Option**" means an Option that is designated as a Regional Option in accordance with Section 4.2.3.

1.1.194. "**Regional Net Sales Royalty**" has the meaning set forth in Section 10.9.3.2.

1.1.195. "**Regional Royalty Rates**" has the meaning set forth in Section 10.9.3.2.

1.1.196. "**Regional Target**" means an Option Target that is designated as a Regional Target in accordance with Section 4.2.6.2 and with respect to which an Option has been exercised pursuant to Section 4.2.6.4.

1.1.197. "**Regulatory Approval**" means a BLA, together with all other approvals (including, but not limited to, where applicable, Pricing Approval and schedule classifications), product or establishment licenses, registrations or authorizations (including, but not limited to, marketing authorizations) of any Regulatory Authority that may be necessary for the marketing, sale and commercialization of a pharmaceutical product in any country or region in the Territory.

1.1.198. "**Regulatory Authority**" means any Governmental Authority involved in granting approvals for the Development, Manufacturing, Commercialization, Pricing Approval of Licensed Products, including the FDA, the EMA, the Japanese Ministry of Health, Labour and Welfare and the Pharmaceuticals and Medical Devices Agency in Japan.

1.1.199. "**Regulatory Materials**" means any regulatory application, submission, notification, communication, correspondence, registration, Regulatory Approvals and other filings made to, received from or otherwise conducted with a Regulatory Authority related to Developing, Manufacturing, obtaining marketing authorization, marketing, selling or otherwise Commercializing a pharmaceutical product in a particular country or jurisdiction.

1.1.200. "**Related Party**" means a Party's Affiliates and permitted Sublicensees.

1.1.201. "**Research**" or "**Researching**" means activities, other than Development, related to the design, discovery, generation, identification, profiling, characterization, production, process development, cell line development, pre-clinical development or non-clinical or pre-clinical studies of drug candidates and products.

1.1.202. "**Research Plans**" means, collectively, the T1 Research Plan and each of the Option Target Research Plans.

1.1.203. "**Research Programs**" means, collectively, the T1 Research Program and each of the Option Target Research Programs.

1.1.204. "**Research Term**" means, [***]

1.1.205. "**Research Target**" means the T1 Target and the Option Targets.

1.1.206. "**Restricted Technology**" means Surface Technology, Novartis Technology, and any Confidential Information of either Party or its Related Parties provided under or developed in connection with the Collaboration.

1.1.207. [***]

1.1.208. [***]

1.1.209. [***]

1.1.210. "**RLP Branding Strategy** has the meaning set forth in Section 6.2.5.1.

1.1.211. "**RLP Commercial Strategy**" has the meaning set forth in Section 6.2.2.

1.1.212. "**RLP Development Activities**" means collectively, [***]

1.1.213. "**RLP Development Budget**" has the meaning set forth in Section 5.2.2.2.

1.1.214. "**RLP Development Plan**" has the meaning set forth in Section 5.2.2.1.

1.1.215. "**RLP Trademarks**" means the Trademarks used, or intended for use, in connection with the distribution, marketing, promotion and sale of the Regional Licensed Products. RLP Trademarks specifically exclude the corporate names and logos of the Parties and their Affiliates and Sublicensees. RLP Trademarks include both the Surface RLP Trademarks and the Novartis RLP Trademarks.

1.1.216. "**Royalty Patents**" means [***]

1.1.217. "Royalty Rates" means the Regional Royalty Rates, the T1 Royalty Rates and the Global Royalty Rates.

1.1.218. "**Royalty Term**" has the meaning set forth in Section 10.10.1.

1.1.219. "**Safety Concern**" means (a) any safety concern required to be reported under 21 C.F.R. § 312.32(c)(1)(iii) ("Findings from animal or in vitro testing") if an IND with respect to such Antibody Candidate or Licensed Product was open at the time of the observation or (b) a toxicity or drug safety issue or a Serious Adverse Event reasonably related to or observed in connection with Research, Development or Commercialization activities with respect to an Antibody Candidate or Licensed Product.

1.1.220. "**Sales Milestone Event**" has the meaning set forth in Section 10.8.

1.1.221. "**Sales Milestone Payment**" has the meaning set forth in Section 10.9.

1.1.222. "**SDEA**" has the meaning set forth in Section 7.4.

1.1.223. "**Serious Adverse Event**" means an adverse drug experience or circumstance that results in any of the following outcomes (a) death, (b) life-threatening condition, (c) inpatient hospitalization or a significant prolongation of existing hospitalization, (d) persistent or significant disability or incapacity or substantial disruption of the ability to conduct normal life functions, (e) or a congenital anomaly/birth defect or (f) significant intervention required to prevent permanent impairment or damage.

1.1.224. "**Specifically Bind**" means, [***]

1.1.225. "**Sublicensee**" means a Third Party to which a Party or its Affiliate has granted or grants rights, as permitted under this Agreement, to Research, Develop, Manufacture or Commercialize any Antibody Candidates or Licensed Product(s), or any further sublicensee of such rights (regardless of the number of tiers, layers or levels of sublicenses of such rights).

1.1.226. "**Supplemental Study**" is any Clinical Study (other than any Post-Marketing Study) for an additional indication or other label expansion for a Licensed Product beyond the initial Indication contemplated by the Development Plan.

1.1.227. "**Supply Agreement**" means any supply agreement entered into by the Parties pursuant to Section 8.

1.1.228. "**Surface Collaboration IP**" means [***]

1.1.229. "**Surface Competing Program**" has the meaning set forth in Section 12.5.2.1(a).

1.1.230. "**Surface Component**" means a Party Component Controlled by Surface or its Related Parties.

1.1.231. "**Surface Election**" has the meaning set forth in Section 8.3.1.3.

1.1.232. "**Surface Indemnitees**" has the meaning set forth in Section 13.1.

1.1.233. "**Surface In-Licenses**" means any Existing Surface In-License or any Collaboration In-License to which Surface is a party.

1.1.234. "**Surface Know-How**" means [***]

1.1.235. "**Surface Regional Net Sales Royalty**" has the meaning set forth in Section 10.9.3.2.

1.1.236. "**Surface Regional Royalty Rate**" has the meaning set forth in Section 10.9.3.2.

1.1.237. "**Surface Patents**" means [***]

1.1.238. "**Surface RLP Trademarks**" has the meaning set forth in Section 14.9.2.2.

1.1.239. "**Surface Technology**" means Surface Know-How, Surface Patents, Surface Collaboration IP and Surface's interest in Joint Collaboration IP.

1.1.240. "**Surface Territory**" means, with respect to any Regional Licensed Product, the United States.

1.1.241. "**Surface Territory Commercialization Plan**" has the meaning set forth in Section 6.2.4.

1.1.242. "**T1 Antibody Candidate**" means any Antibody that [***]

1.1.243. "**T1 Commercialization Plan**" has the meaning set forth in Section 6.1.2.

1.1.244. "**T1 Development Information**" has the meaning set forth in Section 5.1.2.

1.1.245. "**T1 Development Plan**" has the meaning set forth in Section 5.1.3.

1.1.246. "**T1 Licensed Product**" means a [***]

1.1.247. "**T1 Net Sales Royalty**" has the meaning set forth in Section 10.9.1.

1.1.248. "**T1 Research Plan**" has the meaning set forth in Section 3.1.1.

1.1.249. "**T1 Research Program**" has the meaning set forth in Section 3.1.1.

1.1.250. "**T1 Royalty Rates**" has the meaning set forth in Section 10.9.1.

1.1.251. "**T1 Target**" means CD73 [***]

1.1.252. "**T1 Transition Activities**" has the meaning set forth in Section 5.1.2.

1.1.253. "**T1 Transition Plan**" has the meaning set forth in Section 5.1.2.

1.1.254. "**Target**" means a Licensed Target or Option Target, as applicable.

1.1.255. "**Tax**" and "**Taxation**" means any form of tax or taxation, levy, duty, charge or withholding (including any related fine, penalty, addition to tax, surcharge or interest) imposed by, or payable to, a governmental authority.

1.1.256. "**Technical Failure**" [***]

1.1.257. "**Territory**" means (a) with respect to Surface, the Surface Territory and (b) with respect to Novartis, the Novartis Territory.

1.1.258. "**Term**" has the meaning set forth in Section 15.1.

1.1.259. "**Third Party**" means any Person other than Novartis, Surface or their respective Affiliates.

1.1.260. "**Third Party Acquisition**" has the meaning set forth in Section 12.5.2.1(a).

1.1.261. "**Third Party Payment**" has the meaning set forth in Section 9.5.1.

1.1.262. "**Trademark**" means any trademark, trade name, service mark, service name, brand, domain name, trade dress, logo, slogan or other indicia of origin or ownership, including the goodwill and activities associated with each of the foregoing.

1.1.263. "**United States**" or "**U.S.**" means the United States and its territories, possessions and commonwealths.

1.1.264. "**Valid Claim**" means a claim of a Patent that (a) has not been rejected, revoked or held to be invalid or unenforceable by a court or other authority of competent jurisdiction, from which decision no appeal can be further taken, or (b) has not been finally abandoned, disclaimed or admitted to be invalid or unenforceable through reissue or disclaimer. In order to be a Valid Claim, any claim being prosecuted in a pending patent application must be prosecuted in good faith and not have been pending for more than [***] years from the filing date of the first utility patent application (or equivalent concept in any such country) in the patent application family in the country in question, in which case it will cease to be considered a Valid Claim until the patent issues and recites said claim.

2. GOVERNANCE

2.1. **Alliance Manager**. Promptly following the Effective Date, each Party will designate an individual to facilitate communication and coordination of the Parties' activities under this Agreement relating to Antibody Candidates and Licensed Products and to provide support and guidance to the JSC (each, an "**Alliance Manager**"). Each Alliance Manager may also serve as a representative of its respective Party on one or more Committees.

2.2. **Joint Steering Committee**.

2.2.1. *Purpose; Formation*. Within [***] days after the Effective Date, the Parties will establish a joint steering committee (the "**JSC**") that will monitor and provide strategic oversight of the activities under this Agreement and facilitate communications between the Parties with respect to the Research, Development, Manufacture and Commercialization of Antibody Candidates and Licensed Products, all in accordance with this Section 2.2.

2.2.2. *Composition*. Each Party will initially appoint [***] representatives to the JSC, all of whom will have sufficient seniority within the applicable Party to make decisions arising within the scope of the JSC's responsibilities. The Parties' initial representatives to the JSC are set forth on Exhibit E. The JSC may change its size from time to time by mutual consent of its members, provided that the JSC will consist at all times of an equal number of representatives of each of Surface and Novartis. Each Party may replace its JSC representatives at any time upon written notice to the other Party. The JSC may invite non-members to participate in the discussions and meetings of the JSC, provided that such participants have no voting authority at the JSC and are bound under written obligation of confidentiality no less protective of the Parties' Confidential Information than those set forth in this Agreement. The JSC will be co-chaired, with one chairperson designated by Surface and [***] designated by Novartis, whose responsibilities will include conducting meetings, including, when feasible, ensuring that objectives for each meeting are set and achieved. Responsibility for running each meeting of the JSC will alternate between the chairpersons from meeting-to-meeting, with Surface's chairperson running the first meeting. The Alliance Managers

will work with the chairpersons to prepare and circulate agendas and to ensure the preparation of minutes. The chairpersons have no additional powers or rights beyond those held by the other JSC representatives.

2.2.3. *Specific Responsibilities*. In addition to its overall responsibility for monitoring and providing strategic oversight with respect to the Parties' activities under this Agreement, the JSC will in particular have the following responsibilities:

2.2.3.1. review and discuss the Research by the Parties with respect to the T1 Antibody Candidates and Option Target Antibody Candidates, including whether a Technical Failure has occurred with respect to Option Target Antibody Candidates;

2.2.3.2. review and discuss the Development of Regional Antibody Candidates;

2.2.3.3. review and discuss the Commercialization of Regional Licensed Products and any other ongoing related activities;

2.2.3.4. review, discuss and oversee Manufacturing for the T1 Antibody Candidates and Option Antibody Candidates, including the supply chain for Antibody Candidates;

2.2.3.5. facilitate the flow of information between the Parties with respect to T1 Antibody Candidates, Regional Antibody Candidates, Global Antibody Candidates and Licensed Products;

2.2.3.6. review and discuss reports from the JRC, JDC and JCC, and provide guidance thereto and direct the activities of such Committees, and review and approve all Research Plans and each RLP Development Plan, and, in each case, all amendments thereto;

2.2.3.7. review and discuss the entry of any Collaboration In-Licenses with respect to the Research, Development, Manufacture or Commercialization of any Antibody Candidates or Licensed Products;

2.2.3.8. review, discuss and coordinate the Parties' scientific presentation and publication strategy relating to the Regional Licensed Products in the Territory;

2.2.3.9. review and facilitate discussion of proposed publications and resolve disputes with respect thereto taking into consideration Section 11.2.1;

2.2.3.10. attempt to resolve issues presented to it by, and disputes within, the JRC, JDC or JCC, or any other subcommittee;

2.2.3.11. establish such additional joint subcommittees as it deems necessary to achieve the objectives and intent of this Agreement; and

2.2.3.12. perform such other functions as appropriate, and direct each other Committee to perform such other functions as appropriate, to further the purposes of this Agreement, in each case as agreed in writing by the Parties or as expressly provided in this Agreement.

2.2.4. *Meetings*. The JSC will meet at least once per [***] during the Term unless the Parties mutually agree in writing to a different frequency. No later than [***] Business Days prior to any meeting of the JSC (or such shorter time period as the Parties may agree), the Alliance Managers will prepare and circulate an agenda for such meeting; provided, however, that either Party may propose additional topics to be included on such agenda, either prior to or in the course of such meeting. Either Party may also call a special meeting of the JSC (by videoconference, teleconference or in person) by providing at least [***] Business Days prior written notice to the other Party if such Party reasonably believes that a significant matter must be addressed prior to the next scheduled meeting, in which event such Party will work with the chairperson of the JSC and the Alliance Managers of both Parties to provide the members of the JSC no later than [***] Business Days prior to the special meeting with an agenda for the meeting and materials reasonably adequate to enable an informed decision on the matters to be considered. The JSC may meet in person, by videoconference or by teleconference. Notwithstanding the foregoing, at least one (1) meeting per [***] will be in person unless the Parties mutually agree in writing to waive such requirement. In-person JSC meetings will be held at locations alternately selected by Surface and by Novartis. Each Party will bear the expense of its respective JSC members' participation in JSC meetings. Meetings of the JSC will be effective only if at least [***] representative of each Party (which representative is not such Party's Alliance Manager) is present or participating in such meeting. The Alliance Managers will be responsible for preparing reasonably detailed written minutes of all JSC meetings that reflect material decisions made and action items identified at such meetings. The

Alliance Managers will send draft meeting minutes to each member of the JSC for review and approval within [***] Business Days after each JSC meeting. Such minutes will be deemed approved unless [***] of the JSC objects to the accuracy of such minutes within [***] Business Days of receipt. Minutes will be officially endorsed by the JSC at the next JSC meeting, and will be signed by the Alliance Managers.

2.3. Joint Research Committee.

2.3.1. *Formation; Composition; Dissolution*. Within [***] days after the Effective Date, the Parties will establish a committee to oversee the Research of Antibody Candidates and Licensed Products in accordance with the Research Plan(s) and to coordinate the Research activities of the Parties with respect thereto (the "**JRC**"). Each Party will initially appoint [***] representatives to the JRC, with each representative having knowledge and expertise in the Research of compounds and products similar to the Antibody Candidates and Licensed Products and having sufficient seniority within the applicable Party to make decisions arising within the scope of the JRC's responsibilities. The JRC may change its size from time to time, provided that the JRC will consist at all times of an equal number of representatives of each of Surface and Novartis. Each Party may replace its JRC representatives at any time upon written notice to the other Party. The JRC may invite non-members to participate in the discussions and meetings of the JRC, provided that such participants have no voting authority at the JRC and are bound under written obligation of confidentiality no less protective of the Parties' Confidential Information than those set forth in this Agreement. The JRC will be co-chaired, with one chairperson designated by Surface and [***] designated by Novartis, whose responsibilities will include conducting meetings, including, when feasible, ensuring that objectives for each meeting are set and achieved. Responsibility for running each meeting of the JRC will alternate between the chairpersons from meeting-to-meeting, with Surface's chairperson running the first meeting. Subject to Section 2.8, after Completion of the last Phase 1 Study for the last Antibody Candidate or Licensed Product, the Parties agree that the JRC will be automatically dissolved with no further action required by either Party.

2.3.2. *Specific Responsibilities of the JRC*. The JRC has the following responsibilities:

2.3.2.1. oversee and review Research responsibilities for T1 Antibody Candidate and Option Antibody Candidates;

2.3.2.2. discuss, prepare and approve for submission to the JSC the Research Plans and all amendments thereto;

2.3.2.3. oversee the conduct of the T1 Research Plan and Option Target Research Plans;

2.3.2.4. create, implement, review the overall strategy and approve protocols and the selection and use of Third Parties for Research of T1 Antibody Candidates and Option Antibody Candidates, including the design of all nonclinical studies, preclinical studies and GLP Toxicology Studies, conducted under the Research Plans;

2.3.2.5. decide whether and when to initiate or discontinue any nonclinical studies, preclinical studies or GLP Toxicology Studies for T1 Antibody Candidates and Option Antibody Candidates under the Research Plans, provided that nothing is intended to limit a Party's ability to comply with applicable Law or manage subject safety;

2.3.2.6. review, discuss and oversee Manufacturing for the Research of T1 Antibody Candidates and Option Antibody Candidates, including the supply chain for Antibody Candidates;

2.3.2.7. allocate budgeted resources and determine priorities for each nonclinical study, preclinical study and GLP Toxicology Study for T1 Antibody Candidates and Option Antibody Candidates included under the Research Plans;

2.3.2.8. facilitate the flow of information between the Parties with respect to the Research of T1 Antibody Candidates and Option Antibody Candidates;

2.3.2.9. facilitate the flow of information between the Parties with respect to the Research activities for the T1 Research Program and Option Target Research Programs; and

2.3.2.10. perform such other functions as may be appropriate to further the purposes of this Agreement, as directed by the JSC in accordance with Section 2.2.3.12 or as expressly provided in this Agreement.

2.3.3. *Meetings*. The JRC will meet at least once per [***] unless the Parties mutually agree in writing to a different frequency. No later than [***] prior to any meeting of the JRC (or such shorter time period as the Parties may agree), the Alliance Managers will prepare and circulate an agenda for such meeting; provided, however, that either Party will be free to propose additional topics to be included on such agenda, either prior to or in the course of such meeting. Either Party may also call a special meeting of the JRC (by videoconference, teleconference or in person) by providing at least [***] prior written notice to the other Party if such Party reasonably believes that a significant

matter must be addressed prior to the next scheduled meeting, in which event such Party will work with the Alliance Manager to provide the members of the JRC no later than [***] prior to the special meeting with an agenda for the meeting and materials reasonably adequate to enable an informed decision. The JRC may meet in person, by videoconference, or by teleconference. In-person JRC meetings will be held at locations in the United States alternately selected by Surface and by Novartis or at any other location mutually agreed by the members of the JRC. Each Party will report to the JRC on all material issues relating to the Research of Antibody Candidates promptly after such issues arise. Each Party will bear the expense of its respective JRC members' participation in JRC meetings. The JRC chairperson will be responsible for preparing reasonably detailed written minutes of JRC meetings that reflect all decisions made and action items identified at such meetings. The JRC chairperson will send meeting minutes to each member of the JRC for review and approval within [***] after each JRC meeting. Minutes will be deemed approved unless [***] members of the JRC objects to the accuracy of such minutes within [***] of receipt. Minutes will be officially endorsed by the JRC at the next JRC meeting, and will be signed by the Alliance Managers.

2.3.4. *Decision-Making*. Subject to the remainder of this Section 2.3.4 and Section 2.6, the JRC will act by unanimous agreement. The representatives from each Party have, collectively, [***] vote on behalf of that Party. If the JRC cannot reach unanimous agreement on an issue that comes before the JRC within [***] of the meeting such issue was raised and over which the JRC has oversight, then the Parties will refer such matter to the JSC for resolution in accordance with Section 2.6.

2.4. Joint Development Committee.

2.4.1. *Formation; Composition; Dissolution*. No later than [***] after the Initiation of the first GLP Toxicology Study for any Antibody Candidate or Licensed Product, the Parties will establish a committee to (a) oversee the Development of Regional Licensed Antibody Candidates and Regional Licensed Products in accordance with the Development Plan(s) for the same and to coordinate the Development activities of the Parties with respect thereto, and (b) facilitate the flow of information between the Parties with respect to, and provide a forum to discuss, the Development of T1 Antibody Candidates, T1 Licensed Products, Global Antibody Candidates and Global Licensed Products (the "**JDC**"). Each Party will initially appoint [***] representatives to the JDC, with each representative having knowledge and expertise in the Development of compounds and products similar to the Antibody Candidates and Licensed Products and having sufficient seniority within the applicable Party to make decisions arising within the scope of the JDC's responsibilities. The JDC may change its size from time to time, provided that the JDC will consist at all times of an equal number of representatives of each of Surface and Novartis. Each Party may replace its JDC representatives at any time upon written notice to the other Party. The JDC may invite non-members to participate in the discussions and meetings of the JDC, provided that such participants have no voting authority at the JDC and are bound under written obligation of confidentiality no less protective of the Parties' Confidential Information than those set forth in this Agreement. The JDC will be co-chaired, with one chairperson designated by Surface and [***] designated by Novartis, whose responsibilities will include conducting meetings, including, when feasible, ensuring that objectives for each meeting are set and achieved. Responsibility for running each meeting of the JDC will alternate between the chairpersons from meeting-to-meeting, with Novartis's chairperson running the first meeting. Subject to Section 2.8, upon later of [***] the Parties agree that the JDC will be automatically dissolved with no further action required by either Party.

2.4.2. *Specific Responsibilities of the JDC*. The JDC has the following responsibilities:

2.4.2.1. oversee and review Development responsibilities for each Regional Antibody Candidate and Regional Licensed Product;

2.4.2.2. discuss, prepare and approve for submission to the JSC all RLP Development Plans, and all amendments to RLP Development Plans for Regional Antibody Candidates and Regional Licensed Products;

2.4.2.3. oversee the conduct of all RLP Development Plans;

2.4.2.4. create, implement and review the overall strategy for Development, including the design of all Clinical Studies for Regional Antibody Candidates and Regional Licensed Products, conducted under the RLP Development Plans, as applicable;

2.4.2.5. decide whether and when to initiate or discontinue any Clinical Study for any Regional Antibody Candidate or Regional Licensed Product under each RLP Development Plan, as applicable, provided that nothing is intended to limit a Party's ability to comply with applicable Law or manage subject safety;

2.4.2.6. allocate budgeted resources and determine priorities for each Clinical Study for Regional Antibody Candidates and Regional Licensed Products included under each RLP Development Plan;

2.4.2.7. oversee the conduct of all Clinical Studies for Regional Antibody Candidates and Regional Licensed Products included under each RLP Development Plan;

2.4.2.8. facilitate the flow of information between the Parties with respect to the Development of T1 Antibody Candidates, T1 Licensed Products, Regional Antibody Candidates, Regional Licensed Products, Global Antibody Candidates or Global Licensed Products;

2.4.2.9. allocate primary responsibility as between the Parties for tasks relating to the Development of Regional Antibody Candidates where not already specified in the RLP Development Plans therefor;

2.4.2.10. review, discuss and oversee Manufacturing for the Development of Regional Antibody Candidates and Regional Licensed Products, including the supply chain for Regional Antibody Candidates and Regional Licensed Products;

2.4.2.11. create, implement and review the overall strategy regarding Regulatory Approval of Regional Licensed Products in the Territory;

2.4.2.12. without limitation to Section 2.4.2.11, review the regulatory strategy with respect to discussions with and commitments to or agreements with Regulatory Authorities (including post-approval commitments) with respect to Regional Licensed Product labeling, risk management or Clinical Studies;

2.4.2.13. without limitation to Section 2.4.2.12, review and approve any material submission to, or any material agreement with or material commitment made to, a Regulatory Authority with respect to a Regional Licensed Product, such as any BLA or MAA, or any submission, agreement or commitment with respect to Licensed Product labeling, any risk management plans or post-approval commitment for such Licensed Product;

2.4.2.14. facilitate the flow of information between the Parties with respect obtaining Regulatory Approval for Regional Licensed Products; and

2.4.2.15. perform such other functions as may be appropriate to further the purposes of this Agreement, as directed by the JSC in accordance with Section 2.2.3.12 or as expressly provided in this Agreement.

2.4.3. *Meetings*. The JDC will meet at least once per [***] unless the Parties mutually agree in writing to a different frequency. No later than [***] prior to any meeting of the JDC (or such shorter time period as the Parties may agree), the Alliance Managers will prepare and circulate an agenda for such meeting; provided, however, that either Party will be free to propose additional topics to be included on such agenda, either prior to or in the course of such meeting. Either Party may also call a special meeting of the JDC (by videoconference, teleconference or in person) by providing at least [***] prior written notice to the other Party if such Party reasonably believes that a significant matter must be addressed prior to the next scheduled meeting, in which event such Party will work with the Alliance Manager to provide the members of the JDC no later than [***] prior to the special meeting with an agenda for the meeting and materials reasonably adequate to enable an informed decision. The JDC may meet in person, by videoconference, or by teleconference. In-person JDC meetings will be held at locations in the United States alternately selected by Surface and by Novartis or at any other location mutually agreed by the members of the JDC. Each Party will report to the JDC on all material issues relating to the Development of Antibody Candidates and Licensed Products for and in the Territory promptly after such issues arise. Each Party will bear the expense of its respective JDC members' participation in JDC meetings. The JDC chairperson will be responsible for preparing reasonably detailed written minutes of JDC meetings that reflect all decisions made and action items identified at such meetings. The JDC chairperson will send meeting minutes to each member of the JDC for review and approval within [***] after each JDC meeting. Minutes will be deemed approved unless [***] members of the JDC objects to the accuracy of such minutes within [***] of receipt. Minutes will be officially endorsed by the JDC at the next JDC meeting, and will be signed by the Alliance Managers.

2.4.4. *Decision-Making*. Subject to the remainder of this Section 2.4.4 and Section 2.6, the JDC will act by unanimous agreement. The representatives from each Party have, collectively, [***] on behalf of that Party. If the

JDC cannot reach unanimous agreement on an issue that comes before the JDC within [***] of the meeting such issue was raised and over which the JDC has oversight, then the Parties will refer such matter to the JSC for resolution in accordance with Section 2.6.

2.5. Joint Commercialization Committee.

2.5.1. *General*. The Parties will establish a committee, no later than completion of the first Phase 2 Clinical Study for the first Regional Licensed Product, to (a) oversee Commercialization of Regional Licensed Products in the Territory, and (b) facilitate the flow of information between the Parties with respect to, and provide a forum to discuss, the Commercialization of T1 Antibody Candidates, T1 Licensed Products, Global Antibody Candidates and Global Licensed Products (the "**JCC**").

2.5.2. *Formation; Composition*. Each Party will initially appoint [***] representatives to the JCC, with each representative having knowledge and expertise in the commercialization of products similar to the Regional Licensed Products and having sufficient seniority within the applicable Party to make decisions arising within the scope of the JCC's responsibilities. The JCC may change its size from time to time by mutual consent of its members, provided that the JCC will consist at all times of an equal number of representatives of each of Surface and Novartis. Each Party may replace its JCC representatives at any time upon written notice to the other Party. The JCC may invite non-members to participate in the discussions and meetings of the JCC, provided that such participants have no voting authority at the JCC and are bound under written obligation of confidentiality no less protective of the Parties' Confidential Information than those set forth in this Agreement. The JCC will be co-chaired, with one chairperson designated by Surface and [***] designated by Novartis, whose responsibilities will include conducting meetings, including, when feasible, ensuring that objectives for each meeting are set and achieved. Responsibility for running each meeting of the JCC will alternate between the chairpersons from meeting-to-meeting, with Novartis's chairperson running the first meeting.

2.5.3. *Specific Responsibilities of the JCC*. Subject to any limitations under applicable Law, including Antitrust Laws, the JCC has the following responsibilities:

2.5.3.1. discuss, prepare and approve for submission to the JSC the Commercialization Plan for each Regional Licensed Product, including, in each case, any amendments thereto;

2.5.3.2. oversee implementation of each Commercialization Plan for a Regional Licensed Product;

2.5.3.3. review and discuss Commercialization activities with respect to Regional Licensed Products;

2.5.3.4. facilitate the flow of information between the Parties with respect to the Commercialization of T1 Antibody Candidates, T1 Licensed Products, Regional Antibody Candidates, Regional Licensed Products, Global Antibody Candidates or Global Licensed Products;

2.5.3.5. allocate between the Parties primary responsibility for tasks relating to Commercialization of Regional Licensed Products in their respective Territory in a manner consistent with Section 6;

2.5.3.6. oversee forecasting and market planning with respect to Regional Licensed Products;

2.5.3.7. review and discuss strategies with respect to Pricing Matters for Regional Licensed Products in the Territory, to the extent operationally feasible and not prohibited by applicable Law;

2.5.3.8. review, discuss and oversee Manufacturing for the Commercialization of Regional Licensed Products, including the supply chain for Regional Licensed Products;

2.5.3.9. manage Trademarks as contemplated by Section 14.9; and

2.5.3.10. perform such other functions as appropriate to further the purposes of this Agreement, as directed by the JSC in accordance with Section 2.2.3.12 or as expressly provided in this Agreement.

2.5.4. *Meetings*. The JCC will meet at least once per [***] unless the Parties mutually agree in writing to a different frequency. No later than [***] prior to any meeting of the JCC (or such shorter time period as the Parties may agree), the Alliance Managers will prepare and circulate an agenda for such meeting; provided, however, that either Party will be free to propose additional topics to be included on such agenda, either prior to or in the course of such meeting. Either Party may also call a special meeting of the JCC (by videoconference, teleconference or in person) by providing at least [***] prior written notice to the other Party if such Party reasonably believes that a significant

matter must be addressed prior to the next scheduled meeting, in which event such Party will work with the chairperson of the JCC to provide the members of the JCC no later than [***] prior to the special meeting with an agenda for the meeting and materials reasonably adequate to enable an informed decision. The JCC may meet in person, by videoconference, or by teleconference. In-person JCC meetings will be held at locations in the United States alternately selected by Surface and by Novartis or at any other location mutually agreed by the members of the JCC. Meetings of the JCC will be effective only if at least one (1) representative of each Party is present or participating in such meeting. Each Party will report to the JCC on all material issues relating to the Commercialization of Regional Licensed Products promptly after such issues arise. Each Party will bear the expense of its respective JCC members' participation in JCC meetings. The JCC chairperson will be responsible for preparing reasonably detailed written minutes of JCC meetings that reflect all decisions made and action items identified at such meetings. The JCC chairperson will send meeting minutes to each member of the JCC for review and approval within [***] after each JCC meeting. Minutes will be deemed approved unless [***] members of the JCC object to the accuracy of such minutes within [***] of receipt. Minutes will be officially endorsed by the JCC at the next JCC meeting, and will be signed by the Alliance Managers.

2.5.5. *Decision-Making*. Subject to the remainder of this Section 2.5.5 and Section 2.6, the JCC will act by unanimous agreement. The representatives from each Party have, collectively, [***] on behalf of that Party. If the JCC cannot reach unanimous agreement on an issue that comes before the JCC within [***] of the meeting such issue was raised and over which the JCC has oversight, then the Parties will refer such matter to the JSC for resolution in accordance with Section 2.6.3 and Section 2.6; provided that any issues arising under Section 2.5.3.7 shall not be subject to such escalation or decision-making authority, and instead shall be determined by each Party in its respective Territory. For clarity, any and all such communications or strategy involving the Commercialization activities shall be limited to those permitted under applicable Law, including Antitrust Laws.

2.6. Resolution of Committee Disputes.

2.6.1. *Within Operating Committees*. All decisions within the JRC, JDC and JCC will be made by unanimous agreement and all decisions within the other Committees, other than the JSC, will be made by unanimous agreement. If a dispute arises which cannot be resolved within the JRC, JDC, JCC or such other Committees, then if such dispute relates to a matter within the jurisdiction of the applicable Committee, the representatives of either Party may cause such matter to be referred to the JSC for resolution as provided in Section 2.6.2.

2.6.2. *Decision Making Within the JSC*. In addition to resolving issues specifically delegated to it, the JSC has the authority to resolve disputes within the jurisdiction of the JRC, JDC, JCC and any other Committees that the Parties may subsequently create to assist in governance of this Agreement, but otherwise has no authority except where expressly specified elsewhere in this Agreement or mutually agreed by the Parties in writing. The representatives from each Party have, collectively, [***] on behalf of that Party, and all decisions within the JSC (whether originating there, or referred to it by an operating Committee) will be made by unanimous agreement. If a matter is referred by an operating Committee to the JSC, the JSC will use good faith efforts, in compliance with this Section 2.6.2, to resolve promptly such matter. If the JSC is unable to reach unanimous agreement, within [***] after a Party affirmatively states that a decision needs to be made, on any issue for which it is responsible, either Party may elect to submit such issue to the Parties' Executive Officers in accordance with Section 2.6.3.

2.6.3. *Referral to Executive Officers*. If a Party makes an election under Section 2.6.2 to refer a matter to the Executive Officers, the JSC will submit in writing the respective positions of the Parties to their respective Executive Officers. Such Executive Officers will use good faith efforts, in compliance with this Section 2.6.3, to resolve promptly such matter, which good faith efforts will include at least one meeting between such Executive Officers within [***] after the JSC's submission of such matter to them. If the Executive Officers are unable to reach unanimous agreement on any such matter, (i) if the matter relates to [***] provided, however, that [***] (ii) if the matter relates to [***] (iii) if the matter relates to [***] (iv) if the matter relates to [***] and (v) [***]
Notwithstanding anything herein to the contrary, no exercise of a Party's decision-making authority on any such matters may, without the other Party's prior written consent (i) result in a material increase in the other Party's or its Related Parties' obligations, costs or expenses under this Agreement or any Research Plan, Development Plan or Commercialization Plan, or (ii) otherwise conflict with this Agreement.

2.6.4. *Good Faith*. In conducting themselves on committees, and in exercising their rights under this Section 2.6, all representatives of both Parties will consider diligently, reasonably and in good faith all input received from the other Party, and will use reasonable efforts to reach unanimous agreement on all matters before them. In exercising any

decision-making authority granted to it under this Section 2.6, each Party will act based on its good faith judgment taking into consideration such Party's obligations to use Commercially Reasonable Efforts with respect to Research, Development or Commercialization activities as provided in this Agreement.

2.7. General Committee Authority. Each Committee has solely the powers expressly assigned to it in this Section 2. No Committee will have any power to amend, modify, or waive compliance with this Agreement. It is expressly understood and agreed that the control of decision-making authority by Surface or Novartis, as applicable, pursuant to Section 2.6, so as to resolve a disagreement or deadlock on a Committee for any matter will not authorize either Party to perform any function or exercise any decision-making right not delegated to a Committee or such Party, and that neither Surface nor Novartis has any right to unilaterally modify, amend or waive its own compliance with, the terms of this Agreement.

2.8. Discontinuation of Participation on a Committee. The activities to be performed by each Committee will solely relate to governance under this Agreement, and are not intended to be or involve the delivery of services. Subject to Sections 2.3.1 and 2.4.1, each Committee will continue to exist until the Parties mutually agree to disband the Committee. If each Committee is not disbanded pursuant to the preceding sentence, Surface will have the right, but not the obligation, to discontinue Surface's participation on each Committee no earlier than [***] after the expiration of the Research Term with respect to any Licensed Target, other than a Regional Targets. If Surface exercises such right to discontinue its participation, Surface will provide prompt written notice to Novartis of such election including the applicable Licensed Target, and Novartis will have the sole right and authority to take any action that had been within each Committee's purview previously with respect to the applicable Antibody Candidates or Licensed Products within such Licensed Target identified in Surface's written notice.

3. RESEARCH

3.1. T1 Target.

3.1.1. *Overview*. Surface will be responsible for performing Research of T1 Antibody Candidates in accordance with this Agreement and the T1 Research Plan during the Research Term (the "**T1 Research Program**"). An initial draft of the research plan for the T1 Research Program, to be finalized by the JRC, is attached as Exhibit F (the "**T1 Research Plan**"). In the event of any inconsistency between the T1 Research Plan and this Agreement, the terms of this Agreement will prevail. During and after the expiration of the T1 Research Term, each Party will have the right, but not the obligation, to perform Research of T1 Antibody Candidates in accordance with this Agreement.

3.1.2. *Diligence; Standards of Conduct.* During the Research Term, Surface (itself or through its Affiliates or by permitted subcontracting pursuant to Section 3.1.7) will use Commercially Reasonable Efforts to [***] Surface will conduct its activities under the T1 Research Plan in a good scientific manner and in compliance with applicable Law.

3.1.3. *Oversight.* The T1 Research Program will be conducted under the oversight of the JRC, which will have the responsibilities outlined in this Agreement.

3.1.4. *Research Costs*. During the Research Term, Surface will be responsible for [***] of all costs and expenses incurred by or on behalf of Surface in connection with the T1 Research Program. During and after the expiration of the Research Term for the T1 Research Program, each Party will be responsible for [***] of all costs and expenses incurred by or on behalf of such Party or its Related Parties in connection with Research of T1 Antibody Candidates.

3.1.5. *Research Reports*. Surface will keep the JRC informed regarding the progress of Research activities for the T1 Research Program during the Research Term, including a review of results and progress against timelines in the T1 Research Plan on a [***] basis. Following any dissolution of the JRC, Surface will continue to provide Novartis with written updates on its and its Related Parties' ongoing Research activities with respect to any TI Antibody Candidate on a [***] basis.

3.1.6. *Research Records*. Surface will maintain scientific records in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, and in compliance with cGLP with respect to activities intended to be submitted in regulatory filings (including INDs), which will fully and accurately reflect all work done and results achieved in the performance of the Research activities by or on behalf of Surface with respect to potential T1 Antibody Candidates.

3.1.7. *Third Parties*. Surface will be entitled to utilize the services of Third Parties to perform its Research activities under this Section 3.1, provided that (a) Surface will require that such Third Party operates in a manner consistent with the terms of this
Agreement and is reasonably acceptable to Novartis, and (b) Surface will remain at all times fully liable for its responsibilities. Surface will require that any Third Party agreement entered into pursuant to this Section 3.1.7 (x) include confidentiality and non-use provisions that are no less stringent than those set forth in Section 11.1 (but of duration customary in confidentiality agreements entered into for a similar purpose), other than the agreements listed on Schedule 12.2.1, each of which contains reasonable and customary confidentiality and non-use provisions; and (y) except as identified on Exhibit G, obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) under and to, any Know-How and Patents that are developed by such Third Party in the performance of its obligations under such agreement and are reasonably necessary or useful to Research, Develop, Manufacture or Commercialize T1 Antibody Candidates or T1 Licensed Products in the Field. For clarity, the foregoing requirement to obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) shall not apply to any improvements to the proprietary core or platform technology owned or in-licensed by any such Third Party or its Affiliates unless such improvements are reasonably necessary to Research, Develop, Manufacture or Commercialize those Antibody Candidates or Licensed Products with respect to which such Third Party or its Affiliate conducted its activities under such Third Party agreement. Surface will be solely responsible for direction of and communications with such Third Party.

3.2. Option Targets.

3.2.1. *Overview*. On an Option Target-by-Option Target basis, Surface will be responsible for performing Research of Option Target Antibody Candidates in accordance with this Agreement and the Option Target Research Plan for the applicable Option Target during the Research Term (each an "**Option Target Research Program**"). An initial draft of each of the Option Target research plans for each of the Option Target Research Programs is attached as Exhibit H-1, H-2, H-3 and H-4, respectively (each an "**Option Target Research Plan**"). In the event of any inconsistency between an Option Target Research Plan and this Agreement, the terms of this Agreement will prevail.

3.2.2. *Diligence; Standards of Conduct.* On an Option Target-by-Option Target basis, during the Research Term, Surface (itself or through its Affiliates or by permitted subcontracting pursuant to Section 3.2.6) will use Commercially Reasonable Efforts to [***] Surface will conduct its activities under the Option Target Research Plans in a good scientific manner and in compliance with applicable Law.

3.2.3. *Research Costs*. During the Research Term, Surface will be responsible for [***] of all costs and expenses incurred by or on behalf of Surface in connection with the Option Target Research Programs.

3.2.4. *Research Reports*. Surface will keep the JRC informed regarding the progress of Research activities for the Option Target Research Programs during the Research Term, including a review of results and progress against timelines in the applicable Option Target Research Plan on a [***] basis.

3.2.5. *Research Records*. Surface will maintain scientific records in sufficient detail and in good scientific manner appropriate for Patent and regulatory purposes, and in compliance with cGLP with respect to activities intended to be submitted in regulatory filings (including INDs), which will fully and accurately reflect all work done and results achieved in the performance of the Research activities by or on behalf of Surface with respect to potential Option Target Antibody Candidates.

3.2.6. *Third Parties*. Surface will be entitled to utilize the services of Third Parties to perform its Research activities under this Section 3.2, provided that (a) Surface will require that such Third Party operates in a manner consistent with the terms of this Agreement and is reasonably acceptable to Novartis and (b) Surface will remain at all times fully liable for its responsibilities. Surface will require that any Third Party agreement entered into pursuant to this Section 3.2.6 (x) include confidentiality and non-use provisions that are no less stringent than those set forth in Section 11.1 (but of duration customary in confidentiality agreements entered into for a similar purpose), other than the agreements set forth on Schedule 12.2.1, each of which contains reasonable and customary confidentiality and non-use provisions; and (y) except as identified on Exhibit I obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) under and to, any Know-How and Patents that are developed by such Third Party in the performance of its obligations under such agreement and are reasonably necessary or useful to Research, Develop, Manufacture or Commercialize Option Target Antibody Candidates or Option Target Licensed Products in the Field. For clarity, the foregoing requirement to obtain ownership of, or a fully sublicensable license

(or an exclusive option to obtain such license) shall not apply to any improvements to the proprietary core or platform technology owned or in-licensed by any such Third Party or its Affiliates unless such improvements are reasonably necessary to Research, Develop, Manufacture or Commercialize those Antibody Candidates or Licensed Products with respect to which such Third Party or its Affiliate conducted its activities under such Third Party agreement. Surface will be solely responsible for direction of and communications with such Third Party.

3.3. Technical Failure. On an Option Target-by-Option Target basis, if the JSC determines that a Technical Failure has occurred with respect to such Option Target within the Research Term, then Surface's obligation to use Commercially Reasonable Efforts to [***] shall be suspended for the remainder of the Research Term; provided, however, that Surface will resume Commercially Reasonable Efforts to Research Option Target Antibody Candidates for the remainder of the Research Term for any Option Target for which Technical Failure previously occurred, but where changes in circumstance would render continuing activities consistent with the use of Commercially Reasonable Efforts. Notwithstanding any such Technical Failure, during the Exclusivity Period with respect to such Option Target (a) Novartis may, in its sole discretion, purchase the Option for such Option Target by issuing an Option Purchase Notice in accordance with Section 4.1 of this Agreement, or (b) if Novartis has already delivered an Option Purchase Notice with respect to such Option Target, exercise its Option with respect to such Option Target by issuing an Option Exercise Notice. If Novartis opts not to purchase or exercise its Option with respect to such Option Target, then the Option for such Option Target will terminate with the consequences set forth in Section 4.2.7 and elsewhere in this Agreement.

4. OPTION PURCHASE, GRANT AND EXERCISE OF OPTIONS

4.1. Option Purchase Rights.

4.1.1. *Option Purchase*. On an Option Target-by-Option Target basis, Surface hereby grants Novartis the right, but not the obligation, to purchase up to a total of four (4) exclusive option rights with respect to the Option Targets (each an "**Option**"). For each Option Target, promptly [***] Surface will (a) provide to Novartis the Option Tox Package with respect to the applicable Option Target, and (b) afford reasonable access during normal business hours to Surface's personnel by Novartis and its representatives as Novartis may reasonably request to assist Novartis in deciding whether to purchase the Option for such Option Target. In addition, during the Option Purchase Period, Novartis may, in its sole discretion, reasonably request that Surface provide to Novartis other information and documentation relating to such Option Target Antibody Candidate, and Surface will provide such information and documentation in the possession or control of Surface to Novartis within [***] weeks after the date of Novartis' request; provided that, for clarity, any such information delivery that occurs after the expiration of the Option Purchase Period will not extend such Option Purchase Period. For each Option, Novartis will be entitled to purchase the applicable Option by providing a completed Option Purchase Notice with respect to the applicable Option to Surface at any time during the applicable Option Purchase Period for such Option and paying the Option Purchase Fee in accordance with Section 10.3. If Novartis purchases the applicable Option for an Option Target during the Option Purchase Period, then Novartis will be entitled to exercise the Option with respect to such Option Target as set forth in Section 4.2.

4.1.2. *Option Purchase Not Exercised.* For each Option, if Novartis does not deliver to Surface an Option Purchase Notice with respect to an Option Target during the Option Purchase Period, or if Novartis elects and delivers written notice to Surface to terminate an Option prior to expiration of the applicable Option Purchase Period, then (a) Novartis's Option with respect to such Option Target will expire, (b) the Research Term with respect to such Option Target will terminate, (c) each Party's rights and obligations under this Agreement with respect to such Option Target and any Option Target Antibody Candidates relating thereto (including the right to exercise the Option under Section 4.2 and the exclusivity under Section 12.5) will terminate, and (d) each Party will thereafter be free to research, develop, manufacture or commercialize, alone or with one or more Third Parties, any Antibodies or products relating to such Option Target, in each case without any further obligation to the other Party.

4.2. Options.

4.2.1. *Grant*. Surface hereby grants Novartis the right, but not the obligation, to exercise up to a total of three (3) Options with respect to any three (3) Option Targets for which (a) Novartis has purchased an Option in accordance with Section 4.1, and (b) Surface has received IND Acceptance with respect to such Option Target. Each Option will

be designated as either a Regional Option or a Global Option in accordance with the selection mechanism set forth in Section 4.2.3.

4.2.2. *Information Sharing for Options*. For each of the Options, promptly after the first IND Acceptance with respect to an Option Target, Surface will (a) provide to Novartis the Option IND Package with respect to the applicable Option Target, and (b) afford reasonable access during normal business hours to Surface's personnel by Novartis and its representatives as Novartis may reasonably request to assist Novartis in deciding whether to exercise the Option for such Option Target. In addition, during the Option Exercise Period, Novartis may, in its sole discretion, reasonably request that Surface provide to Novartis other information and documentation relating to the Option Target, and Surface will provide such information and documentation in the possession or control of Surface to Novartis within [***] weeks after the date of Novartis' request; provided that, for clarity, any such information delivery that occurs after the expiration of the Option Exercise Period will not extend such Option Exercise Period.

4.2.3. *Selection Mechanism*. For each Option, the Parties will determine if the Option for such Option Target will be a "**Regional Option**" or a "**Global Option**" in accordance with the following procedure:

4.2.3.1. *First Option*. Contemporaneously with the delivery of the Option IND Package for the first Option Target, Surface will provide written notice in the form set forth on Exhibit J (the "**Option Selection Notice**") to Novartis indicating whether the Option for the first Option Target will be a Regional Option or a Global Option.

4.2.3.2. *Second Option*. Contemporaneously with the delivery of the Option Exercise Notice for the second Option Target, Novartis will provide an Option Selection Notice to Surface indicating whether the Option for the second Option Target will be a Regional Option or a Global Option or whether Novartis will terminate its rights to such Option Target in accordance with Section 4.2.7. Notwithstanding the foregoing, Novartis, in its sole discretion, may indicate that Novartis elects to defer its right to select the Option structure until the third Option Target achieves an IND Acceptance in accordance with Section 4.2.3.3 and instead permit Surface to issue an Option Selection Notice to Novartis for the second Option Target (the "**Novartis Deferral Notice**"). In the event that Novartis issues the Novartis Deferral Notice, Surface will provide an Option Selection Notice to Novartis within [***] after receipt of the Novartis Deferral Notice indicating whether the Option for the second Option Target will be a Regional Option or a Global Option.

4.2.3.3. *Third Option*. Contemporaneously with the delivery of the Option IND Package for the third Option Target, Surface will provide an Option Selection Notice to Novartis indicating whether the Option for the third Option Target will be a Regional Option or a Global Option. Notwithstanding the foregoing, if Novartis provided a Novartis Deferral Notice in accordance with Section 4.2.3.2, then contemporaneously with the delivery of the Option Exercise Notice for the third Option Target, Novartis will provide an Option Selection Notice to Surface indicating whether the Option for the third Option Target will be a Regional Option or a Global Option or whether Novartis will terminate its rights to such Option Target in accordance with Section 4.1.2.

4.2.4. *Regional Option Grants*. For each Option that is designated as a Regional Option in accordance with Section 4.2.3, Surface hereby grants to Novartis an exclusive option, but not the obligation, to obtain an exclusive license on the terms set forth in Section 9.2 to such Option Target and all associated Option Target Antibody Candidates. Each Regional Option may be exercised by Novartis at any time during the applicable Option Exercise Period for such Regional Option in accordance with the terms and conditions set forth in Section 4.2.6.

4.2.5. *Global Option Grants*. For each Option that is designated as a Global Option in accordance with Section 4.2.3, Surface hereby grants Novartis an exclusive option, but not the obligation, to obtain an exclusive license on the terms set forth in Section 9.3 to such Option Target and all associated Option Target Antibody Candidates. Each Global Option may be exercised by Novartis at any time during the applicable Option Exercise Period for such Global Option in accordance with the terms and conditions set forth in Section 4.2.6.

4.2.6. *Exercise of an Option*.

4.2.6.1. *Option Exercise Notice*. Novartis will exercise an Option, if at all, by properly delivering a completed Option Exercise Notice in respect of such Option to Surface at any time during the applicable Option Exercise Period for such Option. For clarity, Novartis will be entitled to exercise a maximum of three (3) Options, and thereafter all rights and obligations with respect to any remaining Option Target will terminate in accordance with Section 4.2.7.

4.2.6.2. *Exercise of Regional Options*. On the applicable Option Exercise Date for the exercise of any Regional Option, all Option Target Antibody Candidates for such Option Target will automatically be deemed "Regional Antibody Candidates", the applicable Option Target will automatically be deemed a "Regional Target" for all purposes under this Agreement, the license from Surface to Novartis for such Regional Antibody Candidates and associated Regional Licensed Products set forth in Section 9.2 will automatically, with no further action by any Party, go into full force and effect, and all of the obligations of Surface and Novartis with respect to such Regional Licensed Products, including the payment obligations relating thereto, will become the binding obligations of the applicable Party in respect of such Regional Antibody Candidates and Regional Licensed Products.

4.2.6.3. *Exercise of Global Options*. On the applicable Option Exercise Date for the exercise of any Global Option, all Option Target Antibody Candidates for such Option Target will automatically be deemed a "Global Antibody Candidates" and the applicable Option Target will automatically be deemed a "Global Target" for all purposes under this Agreement, the license from Surface to Novartis to such Global Antibody Candidates and associated Global Licensed Products set forth in Section 9.3 will automatically, with no further action by any Party, go into full force and effect, and all of the obligations of Surface and Novartis with respect to such Global Licensed Products, including the payment obligations relating thereto, will become the binding obligations of the applicable Party in respect of such Global Antibody Candidates and Global Licensed Products.

4.2.6.4. *Regional [***] Candidate*. Notwithstanding anything herein to the contrary, in the event Novartis exercises an Option with respect to [***] pursuant to Section 4.2.6 and [***] is a Regional Target under this Agreement, then either Party may, pursuant to Section 5.2.2.4(a), present a proposal to the JDC requesting the right to Develop and Commercialize ("**Regional [***] Activities**") one (1) or more Antibodies that Specifically Binds to any of the [***] other than that Antibody Candidate [***] exercised in connection with the Option for [***] ("**Regional [***] Candidate**"). Subject to Section 2.4.4, if JDC decides that the Parties will conduct the Regional [***] Activities with respect to the Regional [***] Candidate, then such Regional [***] Candidate will be treated as "Regional Antibody Candidate" or "Regional Licensed Product" on the same basis as all other Antibody Candidates for [***] that were exercised under the Option. However, if the JDC is unable to agree that the Parties will conduct the Regional [***] Activities, then either Party will be entitled, if permitted under Section 5.2.2.4(c), to proceed with the Regional [***] Activities of such Regional [***] Candidate by itself in its respective Territory; provided that (a) such Party's rights will be limited to those Regional [***] Activities with respect to the Regional [***] Candidate and associated Regional Licensed Product solely in such Party's Territory, (b) all associated Regional Licensed Products will be royalty-bearing Regional Licensed Products under this Agreement; and (c) the Non-Proposing Party shall, pursuant to Section 5.2.2.4(d) have the right to opt-in with respect to the Regional [***] Candidate. For the avoidance of doubt, Surface will have no rights to conduct Regional [***] Activities in the event [***] is a Global Target.

4.2.6.5. *Research, Development and Commercialization Following Option Exercise.* Following the Option Exercise Date for a Regional Option, (a) each Party will have the right, but not the obligation, to perform Research of Regional Antibody Candidates in accordance with this Agreement, (b) each Party will be responsible for [***] of all costs and expenses incurred by or on behalf of such Party or its Related Parties in connection with Research of Regional Antibody Candidates, and (c) the Development and Commercialization of Regional Antibody Candidates and Regional Licensed Products for such Regional Target will thereafter be governed by Sections 5.2 and 6.2, respectively. Following the Option Exercise Date for a Global Option, (x) each Party will have the right, but not the obligation, to perform Research of Global Antibody Candidates in accordance with this Agreement, (y) each Party will be responsible for [***] of all costs and expenses incurred by or on behalf of such Party or its Related Parties in connection with Research of Global Antibody Candidates, and (z) the Development and Commercialization of Global Antibody Candidates and Global Licensed Product for such Global Target will thereafter be governed by Sections 5.3 and 6.3, respectively. Following any dissolution of the JRC or JDC, Surface will continue to provide Novartis with written updates on its and its Related Parties' ongoing Research activities with respect to any Regional Antibody Candidate and Global Antibody Candidate on a [***] basis.

4.2.6.6. *Further Assurances and Transaction Approvals in Connection with Option.* Novartis shall specify in each Option Exercise Notice provided with respect to an Option Target pursuant to Section 4.2.6, whether, in Novartis' reasonable opinion, the Parties would be required by applicable Laws to file with the FTC and the Antitrust Division of the DOJ, any notification and report form under the HSR Act (an "**HSR Filing**") with respect to Novartis' exercise of the Option for such Option Target. The Parties will reasonably cooperate with one another to the extent necessary in the preparation of any such HSR Filing. Novartis shall be responsible for all filing fees associated with

any such HSR Filing. The Parties shall each use Commercially Reasonable Efforts to ensure that applicable waiting period under the HSR Act or any applicable comparable foreign law in the Territory expires or is terminated as soon as practicable. Notwithstanding the foregoing, nothing in this Section 4.2.6 shall require either Party or such Party's Affiliates to (a) disclose to the other Party any information that is subject to obligations of confidentiality owed to Third Parties (nor shall either Party be required to conduct joint meetings with any Governmental Authority in which such information might be shared with the other Party), or (b) to commit to any divestiture, license (in whole or in part) or any arrangement to hold separate (or any similar arrangement) with respect to any of its products or assets.

4.2.7. *Termination of Option*. On an Option-by-Option basis, if (a) Novartis does not deliver to Surface an Option Exercise Notice with respect to an Option during the Option Exercise Period, (b) Novartis makes an HSR Filing with respect to the exercise of an Option for an Option Target, but the applicable waiting period under the HSR Act with respect to such HSR Filing does not expire or is not terminated within [***] days after the filing date, or (c) Novartis elects, in its sole discretion, to deliver written notice to Surface to terminate an Option prior to the expiration of the applicable Option Exercise Period, then (i) Novartis's Option with respect to such Option Target will expire, (ii) the Research Term with respect to such Option Target will terminate, (iii) each Party's rights and obligations under this Agreement with respect to such Option Target and any Option Target Antibody Candidates relating thereto (including exclusivity under Section 12.5), will terminate, and (iv) each Party will thereafter be free to Research, Develop, Manufacture or Commercialize, alone or with one or more Third Parties, any Antibodies or products relating to such Option Target, in each case without any further obligation to the other Party. For clarity, Novartis will be entitled to exercise a maximum of three (3) Options, and thereafter all rights and obligations with respect to any remaining Option Target will terminate in accordance with this Section 4.2.7.

5. DEVELOPMENT

5.1. T1 Antibody Candidates and T1 Licensed Products.

5.1.1. *Overview*. Novartis will have the sole right to Develop T1 Antibody Candidates and T1 Licensed Products in the Novartis Territory.

5.1.2. *Transition*. By no later than [***] for a T1 Licensed Product, Surface will prepare and provide to Novartis a draft plan for the transition of the Development of such T1 Licensed Products from Surface to Novartis or its designee (a "**T1 Transition Plan**"). The T1 Transition Plan for each T1 Licensed Product will require Surface to, as soon as reasonably practicable following the Research Term: (a) transfer to Novartis of a copy of all Know-How Controlled by Surface that is reasonably necessary or useful for Development of such T1 Antibody Candidates or T1 Licensed Products, or obtaining or maintaining Regulatory Approval for such T1 Licensed Products in the Novartis Territory, including information and materials reasonably requested by Novartis, in a format reasonably acceptable to Novartis (which will be specified in such T1 Transition Plan, along with the process of transferring such Know-How); (b) assign to Novartis any INDs and other Regulatory Materials submitted to, or filed with, any Regulatory Authority with respect to such T1 Antibody Candidates or T1 Licensed Products, including any drug master files maintained by or on behalf of Surface solely related thereto (provided however that Surface will not be required to transfer any drug master files maintained by or on behalf of any Third Party, including any contract manufacturers); (c) transfer to Novartis a copy of all written correspondence with any Regulatory Authority with respect to such T1 Antibody Candidates or T1 Licensed Products and all written minutes of meetings and memoranda of oral communications with any Regulatory Authority with respect to such T1 Antibody Candidates or T1 Licensed Products; and (d) transfer to Novartis a copy of any other information or materials reasonably requested by Novartis that are reasonably necessary or useful for Development of such T1 Antibody Candidates or T1 Licensed Products in the Novartis Territory, including if so reasonably requested by Novartis, and Third Party agreements relating solely thereto (the items described in clauses (a) through (d) collectively, "**T1 Development Information**"). The T1 Transition Plan for each T1 Licensed Product will also describe any Development activities with respect to such T1 Licensed Product that Surface is required to perform as requested by Novartis and mutually agreed upon by the Parties (collectively, "**T1 Transition Activities**"). Each Party will use Commercially Reasonable Efforts to perform the obligations assigned to it under the T1 Transition Plan in accordance with any timelines set forth therein, and [***]

5.1.3. *T1 Development Plan.* Within [***] days prior to the anticipated expiration date of the Research Term with respect to the T1 Target, Novartis will provide the JDC with a work plan and time table for the Development activities, including Clinical Studies, to be undertaken with respect to T1 Antibody Candidates and T1 Licensed

Products in the Novartis Territory (a "**T1 Development Plan**"). The terms of, and Development activities set forth in, each T1 Development Plan will at all times be designed to be in compliance with all applicable Laws and in accordance with professional and ethical standards customary in the pharmaceutical industry. Novartis will update the T1 Development Plan for such T1 Antibody Candidates and T1 Licensed Products [***] and will provide such updated T1 Development Plan to the JDC.

5.1.4. *Diligence.* Novartis will use Commercially Reasonable Efforts to (a) [***] and (b) perform all Development activities for the T1 Antibody Candidates and T1 Licensed Products in accordance with the T1 Development Plan. Without limiting the foregoing, at all times during the Term, [***]

5.1.5. *Costs*. Novartis will be responsible for [***] Development Costs for the Development of T1 Antibody Candidates or T1 Licensed Products.

5.1.6. *Records; Reports; Information Sharing.*

5.1.6.1. *Development Activities*. Following the transition period with respect to a T1 Licensed Product, once per [***] Novartis will provide to Surface, through the JDC, an update regarding Development activities conducted by or on behalf of Novartis with respect to such T1 Licensed Product, as well as any Clinical Studies with respect to such T1 Licensed Products conducted by Novartis.

5.1.6.2. *Scientific Records*. Novartis will maintain scientific records, in sufficient detail and in sound scientific manner appropriate for Patent and regulatory purposes and in compliance with cGLP with respect to activities intended to be submitted in regulatory filings (including INDs and BLAs), which will reflect all material work done and results achieved in the performance of the Development activities and Clinical Studies with respect to T1 Licensed Products.

5.1.6.3. *Personnel.* During the period commencing after the completion of the T1 Transition Activities and ending upon Regulatory Approval of the first T1 Licensed Product, Novartis may request that Surface reasonably make available for consultation regarding the Development of T1 Antibody Candidates and T1 Licensed Products certain of its employees engaged in Research and Development activities with respect to such T1 Antibody Candidates and T1 Licensed Products. Surface will reasonably cooperate with Novartis to provide (a) up to [***] hours of consultation without charge to Novartis, and (b) any additional hours of consultation as Novartis may reasonably request, for which Novartis will pay Surface a rate of [***] per hour of such consultation services.

5.1.7. *Third Parties*. The Parties will be entitled to utilize the services of Third Parties to perform their respective Development activities under this Section 5.1, provided that (a) each Party will require that such Third Party operates in a manner consistent with the terms of this Agreement and in the case of Surface, reasonably acceptable to Novartis and (b) each Party will remain at all times fully liable for its respective responsibilities. Each Party will require that any Third Party agreement entered into pursuant to this Section 5.1.7 (x) include confidentiality and non-use provisions that are no less stringent than those set forth in Section 11.1 (but of duration customary in confidentiality agreements entered into for a similar purpose), other than Existing Novartis In-Licenses and the agreements listed on Schedule 12.2.1, each of which contains reasonable and customary confidentiality and non-use provisions; and (y) except as identified on Exhibit G, obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) under and to, any Know-How and Patents that are developed by such Third Party in the performance of its obligations under such agreement and are reasonably necessary or useful to Research, Develop, Manufacture or Commercialize T1 Antibody Candidates or T1 Licensed Products in the Field. For clarity, the foregoing requirement to obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) shall not apply to any improvements to the proprietary core or platform technology owned or in-licensed by any such Third Party or its Affiliates unless such improvements are reasonably necessary to Research, Develop, Manufacture or Commercialize those Antibody Candidates or Licensed Products with respect to which such Third Party or its Affiliate conducted its activities under such Third Party agreement. The Party utilizing the services of a Third Party service provider will be solely responsible for direction of and communications with such Third Party.

5.2. Regional Antibody Candidates and Regional Licensed Products.

5.2.1. *Overview*. Subject to the oversight of the JSC and the JDC, on a Regional Target-by-Regional Target basis:

5.2.1.1. Surface will be primarily responsible for Development of all Regional Antibody Candidates and Regional Licensed Products in accordance with this Agreement and the RLP Development Plan for such Regional Target during the Early RLP Development Term.

5.2.1.2. Unless Surface exercises its Opt-Out Right in accordance with Section 5.2.9, the Parties will collaborate on further global Development of Regional Antibody Candidates and Regional Licensed Products in accordance with this Agreement and the RLP Development Plan during the Late RLP Development Term, with each Party's responsibility for Development activities specifically related to obtaining Regulatory Approval in its Territory.

5.2.2. *Development Plans*.

5.2.2.1. *RLP Development Plans*. On a Regional Target-by-Regional Target basis, the Development activities that are necessary or useful to be undertaken for the applicable Regional Antibody Candidates and Regional Licensed Products to achieve initial Regulatory Approval will be mutually agreed upon by the Parties and set forth in reasonable detail in a written work plan and time table (each, as updated from time to time, a "**RLP Development Plan**") . The initial RLP Development Plan for each Regional Target will be included in the Option IND Package for such Regional Target provided by Surface to Novartis under Section 4.2.2, and within [***] days after the Option Exercise Date for such Regional Target, or as soon as reasonably practicable thereafter, the JDC will review, update and approve such RLP Development Plan. Each RLP Development Plan will allocate responsibility for the performance of each RLP Development Activity to one or both of the Parties in their respective Territories. The terms of, and Development activities set forth in, each RLP Development Plan will at all times be designed to be in compliance with all applicable Laws and in accordance with professional and ethical standards customary in the pharmaceutical industry. The Parties will update the applicable RLP Development Plan for such Regional Antibody Candidates and Regional Licensed Products [***] and will provide such updated RLP Development Plan to the JDC. The JDC will review and approve each RLP Development Plan submitted to it in accordance with Section 2.4.4.

5.2.2.2. *RLP Development Budgets*. Each RLP Development Plan will contain a [***] rolling budget covering the anticipated RLP Development Activities to be performed during the then-current Calendar Year (broken down by Calendar Quarter) and the next Calendar Year (broken down by Calendar Quarter), and a forecast of the budgets for each subsequent Calendar Year thereafter through completion of all RLP Development Activities set forth in any such RLP Development Plan, provided that each initial RLP Development Plan will also include such a budget for the partial Calendar Year commencing as of the date of such RLP Development Plan and ending December 31 of such Calendar Year (each such two-year budget plus any such partial Calendar Year is a "**RLP Development Budget**"). Each RLP Development Budget will be updated [***] by the JDC in accordance with Section 5.2.2.3. The initial RLP Development Budget for a Regional Target, and each update thereto, will be prepared by the JDC, based on (a) the Parties' good faith estimation of the anticipated RLP Development Activities to be conducted during the relevant [***] year period and (b) information prepared by the Parties in good faith for their own internal planning processes relating to anticipated RLP Development Activities for such Regional Target, a summary of which will be provided to the JDC for review and incorporation into the RLP Development Budget. Each RLP Development Budget will include an itemized list of the applicable RLP Development Activities to be performed during the [***] year period covered by such RLP Development Budget, with detailed line item entries for each RLP Development Activity setting forth the costs directly related to such RLP Development Activity (broken out to show Out-of-Pocket Costs and FTE Costs for FTEs directly engaged to perform such RLP Development Activity) and specifying what Party or Third Party is responsible for performing the applicable RLP Development Activity, which itemized list may include:

(i) Any material preclinical, non-clinical studies or GLP Toxicology Studies, itemized by study;

(ii) Clinical Studies, including (A) the following costs itemized by Clinical Study: [***] and (B) the following information itemized by Clinical Study: [***] and

(iii) allocation of responsibility for Manufacturing the applicable Regional Antibody Candidates and Regional Licensed Products.

5.2.2.3. *Managing and Amending RLP Development Plans and RLP Development Budgets*. The JDC will update and amend the applicable RLP Development Plan from time-to-time as it deems necessary and, until such time as no further RLP Development Activities are occurring or expected to occur with respect to such Regional Target.

5.2.2.4. *Supplemental Studies; Regional [***] Candidates*.

(a) *Additional Development Proposals*. If a Party desires to conduct (i) a Supplemental Study of a Regional Licensed Product for a Regional Target for the purpose of seeking Regulatory Approval to market such Regional Licensed Product, or (ii) Regional [***] Activities, such Party (the "**Proposing Party,**" and such other Party, the "**Non-Proposing Party**") will submit to the JDC a proposal to add such Supplemental Study or Regional [***] Activities, as applicable, to the applicable RLP Development Plan (an "**Additional Development Proposal**"). Each Additional Development Proposal will describe in reasonable detail the applicable Regional Target or Regional [***] Candidate, the Supplemental Study(ies) or Regional [***] Activities that the Proposing Party desires to conduct, including a synopsis of the trial or activities, the proposed enrollment criteria, number of patients to be included, endpoints to be measured, and statistical design and powering (the "**Additional Development Activities**"), as well as a proposed timeline and budget and an analysis of the business opportunity and revenue potential for such Additional Development Activities.

(b) *JDC Decision Regarding Additional Development Activities*. The JDC will approve or reject an Additional Development Proposal within [***] days after receipt thereof from the Proposing Party as set forth in this Section 5.2.2.4.

(i) If the JDC approves an Additional Development Proposal, upon such an approval, the applicable RLP Development Plan will be amended to include the Additional Development Activities, including the proposed timeline and budget for such Additional Development Activities, set forth in such Additional Development Proposal (as may be amended by the JDC) upon such approval. Any Additional Development Activities included in a RLP Development Plan pursuant to this Section 5.2.2.4 will be deemed to be RLP Development Activities for all purposes under Section 5.2.3.2.

(ii) If the JDC fails to approve an Additional Development Proposal, upon such a failure, the Supplemental Study or Regional [***] Activities proposed in the Additional Development Proposal will not be deemed an RLP Development Activity for any purpose under this Agreement, and Sections 5.2.2.4(c) and 5.2.2.4(d) will apply.

(c) *Independent Performance of Additional Development Activities*.

(i) If, the JDC fails to approve for inclusion in the RLP Development Plan an Additional Development Proposal proposed by Surface for a Supplemental Study(ies) for such Regional Licensed Product or Regional [***] Activities for such Regional [***] Candidate, Surface may, upon notice to Novartis, conduct the proposed Supplemental Study(ies) or Regional [***] Activities at its own expense; provided, however, that if Novartis determines reasonably and in good faith that the performance of such proposed Supplemental Study(ies) or Regional [***] Activities would pose Safety Concerns or other ethical concerns, then Surface will not undertake such Supplemental Study(ies) or Regional [***] Activities, unless and until Novartis determines that such Additional Development Activities should be permitted.

(ii) If the JDC fails to approve for inclusion in the RLP Development Plan an Additional Development Proposal proposed by Novartis for a Supplemental Study(ies) for such Regional Licensed Product or Regional [***] Activities for such Regional [***] Candidate, Novartis may, upon notice to Surface, conduct the proposed Supplemental Study(ies) or Regional [***] Activities at its own expense; provided, however, that if Surface determines reasonably and in good faith that the performance of such proposed Supplemental Study(ies) or Regional [***] Activities would pose Safety Concern or other ethical concerns, then Novartis will not undertake such Supplemental Study(ies) or Regional [***] Activities, unless and until Surface determines that such Additional Development Activities should be permitted.

(iii) Notwithstanding anything in Section 7.1.3 to the contrary, if the JDC does not approve an Additional Development Proposal, unless and until the Non-Proposing Party delivers an Additional Development Opt-In Notice

with respect to such Additional Development Activity, as described in Section 5.2.2.4(d), the Non-Proposing Party will not have any rights under Section 7.1.3 with respect to any information or data generated from any Supplemental Study or Regional [***] Activity that was the subject of the unapproved Additional Development Proposal or from any future information or data generated from any future Clinical Studies with respect to the same Indication or the applicable Regional [***] Candidate, other than to use such information or data to determine whether to deliver an Additional Development Opt-In Notice in accordance with Section 5.2.2.4(d) or as permitted pursuant to the SDEA.

(d) *Opt-In for Additional Development Activities*. In the event that the Proposing Party conducts a Supplemental Study or Regional [***] Activity pursuant to Section 5.2.2.4(c), the Proposing Party will provide to the Non-Proposing Party (i) [***] (the "**Additional Development Data Package**"). The Non-Proposing Party shall have the one-time right to elect, in its sole discretion and upon written notice to the Proposing Party no later than [***] days after the date the Additional Development Data Package is made available to the Non-Proposing Party (an "**Additional Development Opt-In Notice**"), to opt in with respect to any Supplemental Study or Regional [***] Activity that was the subject of such Additional Development Proposal that the Proposing Party elected to conduct in accordance with Section 5.2.2.4(c), and then (A) such Supplemental Study or Regional [***] Activity, as applicable, will be deemed to be an RLP Development Activity under the RLP Development Plan for the applicable Regional Target from and after the date on which such Additional Development Opt-In Notice is received by the Proposing Party (the "**Additional Development Opt-In Date**"); (B) the then-current plan and budget of the Proposing Party with respect to such Supplemental Study or Regional [***] Activity, as applicable, will be deemed to be included within, and part of, the RLP Development Plan for such Regional Licensed Product as of the Additional Development Opt-In Date, and will control with respect to such Supplemental Study or Regional [***] Activity unless and until an amendment to the RLP Development Plan providing for a different or modified plan and budget is approved by the JDC; and (C) the Non-Proposing Party will have all rights granted to it under Section 7.1.3 with respect to the information and data generated from such Supplemental Study or Regional [***] Activity as if such Supplemental Study or Regional [***] Activity was conducted under the RLP Development Plan for such Regional Licensed Product, provided that, (1) the Non-Proposing Party's right to so opt-in with respect to such Additional Development Activities, triggering the results described in the foregoing clauses (A) through (C), is conditioned on the payment by the Non-Proposing Party to the Proposing Party of a payment of [***] of those costs and expenses incurred by the Proposing Party prior to the Additional Development Opt-in Date that the Non-Proposing Party should have paid in connection with such Additional Development Activities had such Additional Development Activities been included in the RLP Development Plan pursuant to Section 5.2.2.4(b)(i); and (2) any future Development Costs with respect to such Regional Licensed Product, including any future Clinical Studies, will be allocated in accordance with Section 5.2.4.

5.2.3. *Diligence; Standards of Conduct.*

5.2.3.1. *Novartis Diligence*. On a Regional Target-by-Regional Target basis, Novartis will use Commercially Reasonable Efforts to (a) [***] and (b) perform the RLP Development Activities allocated to it under the RLP Development Plan for such Regional Antibody Candidates and Regional Licensed Products for such Regional Target in accordance with the RLP Development Plan.

5.2.3.2. *Surface Diligence*. On a Regional Target-by-Regional Target basis, Surface will use Commercially Reasonable Efforts to (a) [***] and (b) perform the RLP Development Activities allocated to it under the RLP Development Plan for such Regional Antibody Candidates and Regional Licensed Products for such Regional Target in accordance with the RLP Development Plan.

5.2.4. *Development Costs.*

5.2.4.1. With respect to each Regional Target, Surface will be responsible for [***] of all Development Costs for the Development of Regional Antibody Candidates or Regional Licensed Products for such Regional Target during the Early RLP Development Term.

5.2.4.2. With respect to each Regional Target, Surface will be responsible for [***] of all Development Costs and Novartis will be responsible for [***] of all Development Costs, in each case for the Development of all Regional Antibody Candidates or Regional Licensed Products during the Late RLP Development Term.

5.2.5. *Novartis Development*. Novartis will use Commercially Reasonable Efforts to conduct its Development of each Regional Licensed Product in accordance with the applicable RLP Development Plan, as such RLP

Development Plan may be amended in accordance with this Agreement, in sound scientific manner and in compliance with applicable Law.

5.2.6. *Surface Development*. Surface will use Commercially Reasonable Efforts to conduct its Development of each Regional Licensed Product for the Surface Territory in accordance with the applicable terms of the RLP Development Plan, as such RLP Development Plan may be amended in accordance with this Agreement, in sound scientific manner and in compliance with applicable Law.

5.2.7. *Records; Reports; Information Sharing.*

5.2.7.1. *Development Activities Reports***.** On a Regional Target-by-Regional Target basis, each Party will periodically provide to the JDC, on a [***] basis, or more frequently as reasonably requested by the JDC, an update regarding Development activities conducted by or on behalf of such Party with respect to Regional Antibody Candidates and Regional Licensed Products for such Regional Target, as well as any Supplemental Studies, Regional [***] Activities and Post-Marketing Studies conducted by or on behalf of such Party with respect to Regional Antibody Candidates and Regional Licensed Products for such Regional Target. The Parties will periodically report to the JDC, but in no event less than on a [***] basis, regarding their respective activities conducted under the RLP Development Plan for Regional Antibody Candidates and Regional Licensed Products for such Regional Target. In addition, each Party will promptly share with the other Party all material developments and information that it comes to possess relating to the Development of any Regional Antibody Candidates and Regional Licensed Products for such Regional Target, including (a) Safety Concerns for Regional Antibody Candidates or Regional Licensed Products, and (b) study reports and data generated from Clinical Studies of such Regional Antibody Candidates and Regional Licensed Products for such Regional Target; provided however, that excluding Safety Concerns or as required under the SDEA, a Party as Proposing Party will not be obligated to share any study reports and data generated from Clinical Studies for any Additional Development Activities (including Regional [***] Activities) conducted by or on behalf of the Proposing Party where the Non-Proposing Party has not exercised an Additional Development Opt-in Notice other than to permit the Non-Proposing Party data to determine whether to deliver an Additional Development Opt-In Notice in accordance with Section 5.2.2.4(d).

5.2.7.2. *Scientific Records***.** Each Party will maintain scientific records, in sufficient detail and in sound scientific manner appropriate for Patent and regulatory purposes and in compliance with cGLP with respect to activities intended to be submitted in regulatory filings (including INDs and BLAs), which will fully and accurately reflect all work done and results achieved in the performance of the Development activities, Clinical Studies, Regional [***] Activities and Supplemental Studies with respect to Regional Antibody Candidates and Regional Licensed Products by such Party.

5.2.7.3. *Information Exchange and Development Assistance***.** Until the expiration or termination of the final RLP Development Plan, upon the reasonable request of the other Party, each Party will provide to the other Party, without additional compensation and in a commercially reasonable format, Know-How Controlled by such Party or its Related Parties that is licensed to the other Party under this Agreement (i.e., Know-How included in Novartis Technology for Novartis and Know-How included in Surface Technology for Surface) to the extent that it is reasonably necessary or useful for Development of Regional Antibody Candidates or Regional Licensed Products in the requesting Party's Territory or for obtaining or maintaining Regulatory Approval for Regional Licensed Products in the requesting Party's Territory, including copies of (a) all scientific information and data related to such Regional Antibody Candidates or Regional Licensed Products (including all data made, collected or otherwise generated in the conduct of any pre-clinical studies, Clinical Studies, Supplemental Studies or Regional [***] Activities for which a Party as Non-Proposing Party has exercised its Additional Development Opt-In Notice, or early access/named patient programs for the Regional Licensed Products, as well as CMC information), and (b) protocols and investigator brochures, in each case, that are reasonably necessary for the other Party (or its Related Parties) to perform its obligations or exploit its rights under this Agreement with respect to such Regional Antibody Candidates or Regional Licensed Products.

5.2.7.4. *Personnel*. Each Party may request, through the JDC or the other Party's Alliance Manager, that the other Party reasonably make available for consultation regarding the Development of such Regional Antibody Candidates or Regional Licensed Products certain of its employees engaged in Development activities and Supplemental Studies or Regional [***] Activities for which a Party as Non-Proposing Party has exercised its Additional Development Opt-In Notice, with respect to such Regional Antibody Candidates or Regional Licensed Products. The JDC or the Alliance Managers will reasonably coordinate, upon reasonable notice during normal business hours

and at their respective places of employment, consultation between the Parties on the progress of the Development for such Regional Antibody Candidates or Regional Licensed Products, including any Supplemental Studies or Regional [***] Activities for which a Party as Non-Proposing Party has exercised its Additional Development Opt-In Notice.

5.2.8. *Third Parties.* The Parties will be entitled to utilize the services of Third Parties to perform their respective Development under this Section 5.2, provided that (a) each Party will require that such Third Party operates in a manner consistent with this Agreement and reasonably acceptable to the other Party, (b) each Party will remain at all times fully liable for its respective responsibilities and (c) the Parties will make reasonable efforts to share, through the JDC, information regarding any prior experience with specific CROs that are anticipated to be engaged to perform work under the RLP Development Plan. Each Party will require that any Third Party agreement entered into pursuant to this Section 5.2.8 (x) include confidentiality and non-use provisions that are no less stringent than those set forth in Section 11.1 (but of duration customary in confidentiality agreements entered into for a similar purpose), other than Existing Novartis In-Licenses and the agreements listed on Schedule 12.2.1, each of which contains reasonable and customary confidentiality and non-use provisions; and (y) except as identified on Exhibit I, obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) under and to, any Know-How and Patents that are developed by such Third Party in the performance of such agreement and are reasonably necessary or useful to Research, Develop, Manufacture or Commercialize Regional Antibody Candidates or Regional Licensed Products in the Field. For clarity, the foregoing requirement to obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) shall not apply to any improvements to the proprietary core or platform technology owned or in-licensed by any such Third Party or its Affiliates unless such improvements are reasonably necessary to Research, Develop, Manufacture or Commercialize those Antibody Candidates or Licensed Products with repect to which such Third Party or its Affiliate conducted its activities under such Third Party agreement. The Party utilizing the services of a Third Party service provider will be solely responsible for direction of and communications with such Third Party, but such Party will provide the other Party with reasonably detailed updates regarding any such activities from time to time.

5.2.9. *Opt-Out Right*. On a Regional Target-by-Regional Target basis, at any time during the Early RLP Development Term or the Late RLP Development Term, Surface has the right, at its sole discretion, to opt-out of further Development and Commercialization of all Regional Antibody Candidates or Regional Licensed Products for such Regional Target upon [***] prior written notice to Novartis (the "**Opt-Out Notice**"). The Opt-Out Notice will clearly identify the applicable Regional Target and associated Regional Antibody Candidates and Regional Licensed Products. Upon the delivery of an Opt-Out Notice, Surface's then on-going funding commitments and Development Activities, will continue until [***] from the date of the Opt-Out Notice. In the event that Surface delivers an Opt-Out Notice with respect to a Regional Target, the following will automatically occur (without any further action by the Parties) upon such date, (a) the Regional Target will convert to a Global Target, (b) all Regional Antibody Candidates and Regional Licensed Products will convert to Global Antibody Candidates and Global Licensed Products, respectively, (c) the licenses set forth in Section 9.2 will terminate, and (d) the licenses set forth in Section 9.3 will apply to such new Global Target, Global Antibody Candidates and Global Licensed Products. For the sake of clarity, Surface will not be reimbursed, in whole or in part, for any Development Costs incurred prior to the end of such [***] period with respect to the Regional Antibody Candidates or Regional Licensed Products for which an Opt-Out Right was exercised.

5.3. Global Antibody Candidates and Global Licensed Products.

5.3.1. *Overview*. On a Global Target-by-Global Target basis:

5.3.1.1. Surface will be responsible for Development of all Global Antibody Candidates and Global Licensed Products in accordance with this Agreement and the Global Development Plan for such Global Target during the Early Global Development Term.

5.3.1.2. Novartis will be responsible for further Development of Global Antibody Candidates and Global Licensed Products in accordance with this Agreement and the Global Development Plan during the Late Global Development Term.

5.3.2. *Global Development Plan*. On a Global Target-by-Global Target basis, the Development activities that are necessary or useful to be undertaken for the applicable Global Antibody Candidates or Global Licensed Products to achieve initial Regulatory Approval for each of the Indications selected by Novartis using Commercially Reasonable Efforts in the Major Market Countries (including the design of the initial Phase 1 Study) will be set forth in

reasonable detail in a written work plan and time table (each, a "**Global Development Plan**"). The initial Global Development Plan for each Global Target will be included in the Option IND Package for such Global Target provided by Surface to Novartis under Section 4.2.2. The terms of, and Development activities set forth in, each Global Development Plan will at all times be designed to be in compliance with all applicable Laws and in accordance with professional and ethical standards customary in the pharmaceutical industry. Novartis will update the Global Development Plan for such Global Antibody Candidates and Global Licensed Products [***] and will provide such updated Global Development Plan to the JDC.

5.3.3. *Transition*. On a Global Target-by-Global Target basis, by no later than [***] Surface will prepare and provide to Novartis a draft plan for the transition of the Development of the Global Antibody Candidates and Global Licensed Products for such Global Target from Surface to Novartis (a "**Global Transition Plan**"). The Global Transition Plan for each Global Target will require Surface to, as soon as reasonably practicable following the Research Term: (a) transfer to Novartis a copy of all Know-How Controlled by Surface that is reasonably necessary or useful for Development of Global Antibody Candidates or Global Licensed Products for such Global Target, or obtaining or maintaining Regulatory Approval for such Global Licensed Products in the Novartis Territory, including information and materials reasonably requested by Novartis, in a format reasonably acceptable to Novartis (which will be specified in such Global Transition Plan, along with the process of transferring such Know-How); (b) assign to Novartis all INDs and other Regulatory Materials submitted to, or filed with, any Regulatory Authority with respect to such Global Antibody Candidates or Global Licensed Products, including any drug master files maintained by or on behalf of Surface solely related thereto (provided however that Surface will not be required to transfer any drug master files maintained by or on behalf of any Third Party, including any contract manufacturer); (c) transfer to Novartis a copy of all written correspondence with any Regulatory Authority with respect to such Global Antibody Candidates or Global Licensed Products and all written minutes of meetings and memoranda of oral communications with any Regulatory Authority with respect to such Global Antibody Candidates or Global Licensed Products; and (d) transfer to Novartis any other a copy of information or materials reasonably requested by Novartis that are reasonably necessary or useful for Development of such Global Antibody Candidates or Global Licensed Products in the Novartis Territory, including if so reasonably requested by Novartis, and Third Party agreements relating solely thereto. The Global Transition Plan for each Global Target will also describe any Development activities with respect to Global Antibody Candidates or Global Licensed Products for such Global Target that Surface is required to perform as requested by Novartis and mutually agreed upon by the Parties (collectively, "**Global Transition Activities**"). Each Party will use Commercially Reasonable Efforts to perform the obligations assigned to it under the Global Transition Plan in accordance with any timelines set forth therein and, subject to Section 5.2.3.2, [***]

5.3.4. *Diligence; Standards of Conduct.* On a Global Target-by-Global Target basis, Novartis will use Commercially Reasonable Efforts to (a) [***] and (b) perform all Development activities for the Global Antibody Candidates and Global Licensed Products for such Global Target in accordance with the Global Development Plan. On a Global Target-by-Global Target basis, Surface will use Commercially Reasonable Efforts to (x) [***] and (y) perform all Development activities for the Global Antibody Candidates and Global Licensed Products for such Global Target in accordance with the Global Development Plan that Surface agrees to perform at Novartis' request.

5.3.5. *Development Costs*.

5.3.5.1. With respect to each Global Target, Surface will be responsible for [***] of all Development Costs for the Development of Global Antibody Candidates or Global Licensed Products for such Global Target during the Early Global Development Term.

5.3.5.2. With respect to each Global Target, Novartis will be responsible for [***] of all Development Costs for the Development of Global Antibody Candidates or Global Licensed Products for such Global Target during the Late Global Development Term.

5.3.6. *Records; Reports; Information Sharing.*

5.3.6.1. *Development Activities; Reports*. On a Global Target-by-Global Target basis and until the transition of Development to Novartis, each Party will periodically (a) provide to the JDC, on a [***] basis, an update regarding Development activities conducted by or on behalf of such Party with respect to Global Antibody Candidates or Global Licensed Products for such Global Target, and (b) report to the JDC, but in no event less than on a [***] basis, regarding their respective activities conducted under the Global Transition Plan for Global Antibody Candidates and Global Licensed Products for such Global Target. Following the transition period with respect to a

Global Target, once per [***] Novartis will provide to Surface, through the JDC, an update regarding Development activities conducted by or on behalf of Novartis with respect to such Global Target Antibody Candidates and Global Licensed Product, as well as any Clinical Studies with respect to such Global Target Antibody Candidates and Global Licensed Product conducted by Novartis. The Parties will share any Safety Concerns with respect to such Global Antibody Candidates and Global Licensed Products in accordance with the SDEA.

5.3.6.2. *Scientific Records*. Each Party will maintain scientific records, in sufficient detail and in sound scientific manner appropriate for Patent and regulatory purposes and in compliance with cGLP with respect to activities intended to be submitted in regulatory filings (including INDs and BLAs), which will reflect all material work done and results achieved in the performance of the Development activities and Clinical Studies with respect to Global Antibody Candidates and Global Licensed Products by such Party.

5.3.6.3. *Information Exchange and Development Assistance*. Until the expiration or termination of the final Global Development Plan, upon the reasonable request of Novartis, Surface will provide to Novartis, without additional compensation and in a commercially reasonable format, a copy of Know-How Controlled by Surface or its Related Parties that is licensed to Novartis under this Agreement (i.e. Know-How included in Surface Technology for Surface) to the extent that it is reasonably necessary or useful for Development of Global Antibody Candidates or Global Licensed Products or for obtaining or maintaining Regulatory Approval for Global Licensed Products, including copies of (a) all scientific information and data related to such Global Antibody Candidates or Global Licensed Products (including all data made, collected or otherwise generated in the conduct of any pre-clinical studies, Clinical Studies, Supplemental Studies or early access/named patient programs for the Global Licensed Products, as well as CMC information), and (b) protocols and investigator brochures, in each case, that are reasonably necessary for Novartis (or its Related Parties) to perform its obligations or exploit its rights under this Agreement with respect to such Global Antibody Candidates or Global Licensed Products.

5.3.6.4. *Personnel*. During the period commencing after the completion of the Global Transition Activities and ending upon Regulatory Approval of the first Global Licensed Product, Novartis may request that Surface reasonably make available for consultation regarding the Development of Global Antibody Candidates and Global Licensed Products certain of its employees engaged in Research and Development activities with respect to such Global Antibody Candidates and Global Licensed Products. Surface will reasonably cooperate with Novartis to provide (a) up to [***] hours of consultation without charge to Novartis, and (b) any additional hours of consultation as Novartis may reasonably request, for which Novartis will pay Surface a rate of [***] per hour of such consultation services.

5.3.7. *Third Parties*. The Parties will be entitled to utilize the services of Third Parties to perform their respective Development under this Section 5.3.7, provided that (a) each Party will require that such Third Party operates in a manner consistent with the terms of this Agreement and, in the case of Surface, reasonably acceptable to Novartis and (b) each Party will remain at all times fully liable for its respective responsibilities. Each Party will require that any such Third Party agreement entered into pursuant to this Section 5.3.7 (x) include confidentiality and non-use provisions that are no less stringent than those set forth in Section 11.1 (but of duration customary in confidentiality agreements entered into for a similar purpose), other than Existing Novartis In-Licenses and the agreements listed on Schedule 12.2.1, each of which contains reasonable and customary confidentiality and non-use provisions; and (y) except as identified on Exhibit I, obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) under and to, any Know-How and Patents that are developed by such Third Party in the performance of such agreement and are reasonably necessary or useful to Research, Develop, Manufacture or Commercialize Global Antibody Candidates or Global Licensed Products in the Field. For clarity, the foregoing requirement to obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) shall not apply to any improvements to the proprietary core or platform technology owned or in-licensed by any such Third Party or its Affiliates unless such improvements are reasonably necessary to Research, Develop, Manufacture or Commercialize those Antibody Candidates or Licensed Products with respect to which such Third Party or its Affiliate conducted its activities under such Third Party agreement. The Party utilizing the services of a Third Party service provider will be solely responsible for direction of and communications with such Third Party.

6. COMMERCIALIZATION

6.1. T1 Licensed Products.

6.1.1. *Responsibility, Cost and Diligence*. Novartis will be solely responsible, at its expense, for all Commercialization activities relating to T1 Licensed Products in the Field in the Novartis Territory. Novartis will

use Commercially Reasonable Efforts to (a) Commercialize each T1 Licensed Product for which Novartis has obtained Regulatory Approval within the Novartis Territory, and (b) perform all Commercialization activities for T1 Licensed Products in accordance with the T1 Commercialization Plan.

6.1.2. *T1 Commercialization Plan*. No less than [***], and [***] thereafter, Novartis will prepare and deliver to Surface, through the JSC, (a) a high level summary of the Commercialization and Development Activities performed with respect to such T1 Licensed Product in the Novartis Territory during the just-completed Calendar Year and (b) a high level summary of the Commercialization and Development activities to be undertaken with respect to such T1 Licensed Product in the then-current Calendar Year, including any plans to obtain further Regulatory Approvals and launch such T1 Licensed Products in countries in the Novartis Territory in which Novartis is not then Commercializing such T1 Licensed Products, and the dates by which any such activities are targeted to be accomplished (the "**T1 Commercialization Plan**").

6.1.3. *First Commercial Sale Reporting Obligations*. With respect to each T1 Licensed Product, Novartis will provide Surface with written notice of the First Commercial Sale of such T1 Licensed Product in the Novartis Territory.

6.1.4. *Advertising and Promotional Materials*.

6.1.4.1. *T1 Branding*. Novartis will have the sole right, from time to time during the Term, to develop (and thereafter modify and update) a global branding strategy (including global positioning, messages, logo, colors and other visual branding elements) for each T1 Licensed Product for use in the Field throughout the Novartis Territory.

6.1.4.2. *Promotional Materials*. Novartis will be responsible for the creation, preparation, production, reproduction and filing with the applicable Regulatory Authorities, of relevant written sales, promotion and advertising materials relating to each T1 Licensed Product for use in the Novartis Territory. All such Promotional Materials will be compliant with applicable Law. If permitted under applicable Law, Novartis will include a reference in such TI Promotional Materials to such T1 Licensed Product as being sold under license from Surface.

6.1.5. *Sales and Distribution*. Novartis and its Related Parties will be solely responsible for booking sales and will warehouse and distribute T1 Licensed Products in the Novartis Territory.

6.1.6. *Recalls, Market Withdrawals or Corrective Actions*. In the event that any Regulatory Authority issues or requests a recall or takes a similar action in connection with a T1 Licensed Product, Novartis will have the sole right to decide whether to conduct a recall and the manner in which any such recall will be conducted. [***]

6.2. <u>Regional Licensed Products</u>.

6.2.1. *Responsibility, Cost and Diligence*.

6.2.1.1. *Novartis.* On a Regional Target-by-Regional Target basis, Novartis will be solely responsible, at its expense, for all Commercialization activities relating to Regional Licensed Products in the Field in the Novartis Territory. On a Regional Target-by-Regional Target basis, Novartis will use Commercially Reasonable Efforts to (a) Commercialize each Regional Licensed Product for which Novartis has obtained Regulatory Approval within the Novartis Territory, and (b) perform all Commercialization activities for such Regional Licensed Product in accordance with the RLP Commercialization Strategy.

6.2.1.2. *Surface.* On a Regional Target-by-Regional Target basis, Surface will be solely responsible, at its expense, for all Commercialization activities relating to Regional Licensed Products in the Field in the Surface Territory. On a Regional Target-by-Regional Target basis, Surface will use Commercially Reasonable Efforts to (a) Commercialize each Regional Licensed Product for which Surface has obtained Regulatory Approval within the Surface Territory, and (b) perform all Commercialization activities for each Regional Licensed Product in accordance with the RLP Commercialization Strategy.

6.2.2. *RLP Commercial Strategy.* Within [***] Novartis will provide and within [***] days after such provision the JCC will, subject to applicable Law including Antitrust Laws, review, update and approve a written summary of the global Commercial strategy for such Regional Licensed Product (the "**RLP Commercial Strategy**"). For clarity, any and all such communications and strategy involving the Commercialization of Regional Licensed Products shall be limited to those permitted under applicable Law, including Antitrust Laws.

6.2.3. *Novartis Territory Commercialization Plan.* No less than [***] Novartis will prepare and deliver to the JCC for review a reasonable written plan that summarizes the Commercialization activities to be undertaken with respect to such Regional Licensed Product in the Novartis Territory in the next Calendar Year (the "**Novartis Territory Commercialization Plan**"). The Novartis Territory Commercialization Plan for a Regional Licensed Product will subsequently be updated and modified by Novartis, from time to time at its discretion and no less frequently than [***] based upon, among other things, Novartis's Commercialization activities with respect to such Regional Licensed Product in the Novartis Territory, a copy of which updated plan Novartis will provide to the JCC. Notwithstanding the foregoing, in the event of any disagreement between the Parties regarding the Novartis Territory Commercialization Plan for a Regional Licensed Product pursuant to Section 2.5.5, the Novartis representatives on the JCC will have final decision-making authority over the preparation and updating of such Novartis Territory Commercialization Plan, provided that such decisions do not materially adversely affect the Commercialization of such Regional Licensed Product in the Surface Territory.

6.2.4. *Surface Territory Commercialization Plan.* No less than [***] Surface will prepare and deliver to the JCC for review a reasonable written plan that summarizes the Commercialization activities to be undertaken with respect to such Regional Licensed Product in the Surface Territory in the next Calendar Year (the "**Surface Territory Commercialization Plan**"). The Surface Territory Commercialization Plan for a Regional Licensed Product will subsequently be updated and modified by Surface, from time to time at its discretion and no less frequently than [***] based upon, among other things, Surface's Commercialization activities with respect to such Regional Licensed Product in the Surface Territory, a copy of which updated plan Surface will provide to the JCC. Notwithstanding the foregoing, in the event of any disagreement between the Parties regarding the Surface Territory Commercialization Plan for a Regional Licensed Product pursuant to Section 2.5.5, the Surface representatives on the JCC will have final decision-making authority over the preparation and updating of such Surface Territory Commercialization Plan, provided that such decisions do not materially adversely affect the Commercialization of such Regional Licensed Product in the Novartis Territory.

6.2.5. *Advertising and Promotional Materials*.

6.2.5.1. *RLP Branding.* Each Party will use Commercially Reasonable Efforts to develop (and thereafter modify and update) a branding strategy (including positioning, colors, other visual branding elements and Novartis RLP Trademarks and Surface RLP Trademarks in accordance with Section 14.9.2) for each Regional Licensed Product for use in the Field for its Territory (each a "**RLP Branding Strategy**"), which the JCC will, in accordance with Sections 2.5.3.3 and 2.5.5, review, coordinate and approve, and which the Parties will, following such review and approval, implement. Each Party will submit its RLP Branding Strategy for a Regional Licensed Product to the JCC at least [***] (or more frequently if reasonably requested by the other Party). Each Party will consider in good faith any timely comments by the other Party with respect to its RLP Branding Strategy, but will have final decision-making authority with respect to such its RLP Branding Strategy in its Territory. Notwithstanding the foregoing, each Party will use Commercially Reasonable Efforts to ensure that (a) its RLP Branding Strategy complies with applicable Laws in its Territory, and (b) that any branding elements selected for inclusion in its RLP Branding Strategy do not infringe any Third Party trademarks or other intellectual property rights. If any such RLP Branding Strategy infringes Third Party trademarks or other intellectual property rights or otherwise does not comply with applicable Law in the Territory in which such RLP Branding Strategy is used, the affected Party will take action to end such infringement or other noncompliance (including by modifying its RLP Branding Strategy) in its Territory and the other Party will not be obligated to implement its RLP Branding Strategy in its Territory pursuant to this Section unless and until such infringement or noncompliance is ended.

6.2.5.2. *Surface A&P.* Surface will be responsible for the creation, preparation, production, reproduction and filing with the applicable Regulatory Authorities, of relevant written sales, promotion and advertising materials relating to each Regional Licensed Product ("**Promotional Materials**") for use in the Surface Territory. All such Promotional Materials will be compliant with applicable Law and, if applicable, consistent in all material respects with the Surface Territory Commercialization Plan and, if applicable, consistent in all material respects with the RLP Branding Strategy for such Regional Licensed Product in the Surface Territory. Surface will submit representative samples of its Promotional Materials developed by it for use in the Surface Territory to the JCC at least [***] (or more frequently if reasonably requested by Novartis). Surface will consider in good faith any timely comments Novartis may have with respect to any such Promotional Materials, but will have final decision-making authority in the Surface Territory with respect to such Promotional Materials. Notwithstanding the foregoing, Surface will incorporate any changes to Promotional Materials requested by Novartis in a timely fashion in cases where Novartis

indicates that it believes in good faith that such change is necessary to enable Novartis to comply with any applicable Law.

6.2.5.3. *Novartis A&P.* Novartis will be responsible for the creation, preparation, production, reproduction and filing with the applicable Regulatory Authorities, of relevant Promotional Materials relating to each Regional Licensed Product for use in the Novartis Territory. All such Promotional Materials will be compliant with applicable Law, consistent in all material respects with the Novartis Territory Commercialization Plan and, if applicable, consistent in all material respects with the RLP Branding Strategy for such Regional Licensed Product in the Novartis Territory. Novartis will submit representative samples of its Promotional Materials developed by it for use in the Novartis Territory to the JCC at least [***] thereafter (or more frequently if reasonably requested by Surface). Novartis will consider in good faith any timely comments Surface may have with respect to any such Promotional Materials, but will have final decision-making authority in the Novartis Territory with respect to such Promotional Materials. Notwithstanding the foregoing, Novartis will incorporate any changes to Promotional Materials requested by Surface in a timely fashion in cases where Surface indicates that it believes in good faith that such change is necessary to enable Surface to comply with any applicable Law.

6.2.5.4. *Reporting Obligations.* Each Party will report to the JCC in writing, on an [***] basis in the first [***] following the first Regulatory Approval of such Regional Licensed Product in the Field in such Party's Territory (for the period ending December 31 of the prior Calendar Year), summarizing in reasonable detail such Party's Commercialization activities for such Regional Licensed Product performed to date (or updating such report for activities performed since the last such report was given hereunder, as applicable). In addition, each Party will provide the other Party with written notice of the First Commercial Sale of each Regional Licensed Product in such Party's Territory as soon as reasonably practicable after such event; provided, however, that such Party will inform the other Party of such event prior to public disclosure of such event by such Party. Each Party will provide such other information to the JCC as the other Party may reasonably request with respect to Commercialization of such Regional Licensed Product and will keep such JCC reasonably informed of such Party's Commercialization activities with respect to such Regional Licensed Product.

6.2.6. *Commercialization Reporting Obligations.* Each Party and its Related Parties will be responsible for booking sales of the Regional Licensed Products sold in its Territory. Each Party and its Related Parties may warehouse Regional Licensed Products both inside and outside of such Party's Territory, provided that any sales with respect to such Regional Licensed Products are booked in such Party's Territory. If a Party receives any orders for any Regional Licensed Product in the other Party's Territory, it will refer such orders to the other Party, to the extent it is not prohibited from doing so under applicable Law. Moreover, each Party and its Related Parties will, using Commercially Reasonable Efforts, be solely responsible for handling all returns of any Regional Licensed Product sold in its Territory, as well as all aspects of Regional Licensed Product order processing, invoicing and collection, distribution, inventory and receivables of Regional Licensed Products sold in its Territory.

6.2.7. *Recalls, Market Withdrawals or Corrective Actions.* In the event that any Regulatory Authority issues or requests a recall or takes a similar action in connection with a Regional Licensed Product in a Territory, or in the event either Party determines that an event, incident or circumstance has occurred that may result in the need for a recall or market withdrawal of a Regional Licensed Product in its Territory, the Party notified of such recall or similar action, or the Party that desires such recall or similar action, will as promptly as possible, notify the other Party's Alliance Manager and JCC representatives thereof by telephone or e-mail. Each Party, in consultation with the other Party, will decide whether to conduct a recall of a Regional Licensed Product in its own Territory and the manner in which any such recall will be conducted (except in the case of a government mandated recall, when such Party may act without such advance notice but will notify the other Party as soon as possible thereafter). Except as may otherwise be agreed to by the Parties, [***] Each Party will make available all of its pertinent records that may be reasonably requested by the other Party in order for a Party to effect a recall of a Regional Licensed Product in its Territory. The Parties' rights and obligations under this Section 6.2.7 will be subject to the terms of any supply agreement(s), including any SDEA or quality related agreements entered into between the Parties. In the event of a conflict between the provisions of any such supply agreement, SDEA or quality related agreements and this Section 6.2.7, the provisions of such supply agreement, SDEA or quality related agreements will govern.

6.2.8. *Ex-Territory Sales; Export Monitoring.*

6.2.8.1. *Ex-Territory Sales.* Subject to applicable Law, neither Party will engage in any advertising or promotional activities relating to any Regional Licensed Product directed primarily to customers or other buyers or users of such Regional Licensed Product located outside its Territory or accept orders for Regional Licensed Products from or sell Regional Licensed Products into such other Party's Territory for its own account, and if a Party receives any order for any Regional Licensed Product in the other Party's Territory, it will refer such orders to the other Party. The Parties expressly acknowledge and agree that applicable Law may prevent or limit a Party from taking action to prevent exports from one EU country to another.

6.2.8.2. *Export Monitoring.* Each Party and its Related Parties will use Commercially Reasonable Efforts to monitor and prevent exports of Regional Licensed Products from its own Territory for Commercialization in the other Party's Territory using methods permitted under applicable Law that are commonly used in the industry for such purpose (if any), and will promptly inform the other Party of any such exports of Regional Licensed Products from its Territory, and any actions taken to prevent such exports. Each Party agrees to take reasonable actions requested in writing by the other Party that are consistent with applicable Law to prevent exports of Regional Licensed Products from its Territory for Commercialization in the other Party's Territory. The Parties expressly acknowledge and agree that applicable Law may prevent or limit a Party from taking action to prevent exports from one EU country to another.

6.2.9. Combinations. Net Sales received by the Parties or their respective Related Parties in respect of certain Combinations in the Surface Territory shall be allocated between the Parties in accordance with the provisions of Exhibit A.

6.3. Global Licensed Products.

6.3.1. *Responsibility, Cost and Diligence*. Novartis will be solely responsible, at its expense, for all Commercialization activities relating to Global Licensed Products in the Field in the Novartis Territory. Novartis will use Commercially Reasonable Efforts to (a) Commercialize each Global Licensed Product for which Novartis has obtained Regulatory Approval in the Novartis Territory, and (b) perform all Commercialization activities for each Global Licensed Product in accordance with the Global Licensed Product Commercialization Plan.

6.3.2. *Commercialization Plan*. No less than [***] and [***] thereafter, Novartis will prepare and deliver to Surface, through the JSC, (a) a high level summary of the Commercialization activities performed with respect to such Global Licensed Product in the Novartis Territory during the just-completed Calendar Year, and (b) a high level summary of the Commercialization activities to be undertaken with respect to such Global Licensed Product in the then-current Calendar Year (the "**Global Licensed Product Commercialization Plan**").

6.3.3. *First Commercial Sale Reporting Obligations*. With respect to a Global Licensed Product, Novartis will provide Surface with written notice of the First Commercial Sale of such Global Licensed Product in the Novartis Territory.

6.3.4. *Advertising and Promotional Materials*.

6.3.4.1. *Global Licensed Product Branding*. Novartis will have the sole right, from time to time during the Term, to develop (and thereafter modify and update) a global branding strategy (including global positioning, messages, logo, colors and other visual branding elements) for each Global Licensed Product for use in the Field throughout the Novartis Territory.

6.3.4.2. *Promotional Materials*. Novartis will be responsible for the creation, preparation, production, reproduction and filing with the applicable Regulatory Authorities, of relevant written sales, promotion and advertising materials relating to each Global Licensed Product for use in the Novartis Territory. All such Promotional Materials will be compliant with applicable Law. If permitted under applicable Law, Novartis will include a reference in such Global Licensed Promotional Materials to such Global Licensed Product as being sold under license from Surface.

6.3.5. *Sales and Distribution*. Novartis and its Related Parties will be solely responsible for booking sales and will warehouse and distribute Global Licensed Products in the Novartis Territory.

6.3.6. *Recalls, Market Withdrawals or Corrective Actions*. In the event that any Regulatory Authority issues or requests a recall or takes a similar action in connection with a Global Licensed Product, Novartis will have the sole right to decide whether to conduct a recall and the manner in which any such recall will be conducted. [***]

7. REGULATORY

7.1. T1 Licensed Products.

7.1.1. *Regulatory Filings and Interactions*.

7.1.1.1. *Ownership of Regulatory Filings*. Novartis will own all INDs, NDAs, Regulatory Materials and related regulatory documentation with respect to any T1 Licensed Product, including any drug master files maintained by or on behalf of Surface solely with respect thereto (provided however that Surface will not be obligated to transfer any drug master files maintained by or on behalf of any Third Party, including any contract manufacturer). At Novartis's request following [***] for the T1 Research Program, Surface will promptly assign and transfer to Novartis all INDs, Regulatory Materials and other regulatory documentation in the Novartis Territory with respect to such T1 Licensed Product that is in the possession or control of Surface, including any drug master files maintained by or on behalf of Surface solely with respect thereto, and each Party will submit all filings, letters and other documentation necessary to effect such assignment and transfer to the applicable Regulatory Authority as soon as reasonably practicable, but no later than [***] after such request for such T1 Licensed Product. For clarity, Surface will not be required to transfer any drug master files maintained by or on behalf of any Third Party, including any contract manufacturer; provided that Novartis has access to or rights to cross-reference those drug master files pursuant to Section 7.1.3 to permit Novartis to comply with its regulatory obligation in connection with the Research, Development, Manufacture, and Commercialization of T1 Licensed Products. Surface hereby appoints Novartis as Surface's agent for all matters related to each T1 Licensed Product involving Regulatory Authorities in the Novartis Territory during the period beginning on the Effective Date for the T1 Licensed Product and ending on the date that the transfer of all INDs, Regulatory Materials and related regulatory documents in the Novartis Territory that relate to such T1 Licensed Product, including any drug master files maintained by or on behalf of Surface solely with respect thereto, becomes effective, and Novartis hereby accepts such appointment.

7.1.1.2. *Responsibilities for Regulatory Matters*. Novartis will, using Commercially Reasonable Efforts, be solely responsible for all regulatory matters relating to T1 Licensed Products in the Novartis Territory, including (a) overseeing, monitoring and coordinating all regulatory actions, communications and filings with, and submissions to, each Regulatory Authority in the Novartis Territory with respect to T1 Licensed Products; (b) interfacing, corresponding and meeting with each Regulatory Authority in the Novartis Territory with respect to T1 Licensed Products; and (c) seeking and maintaining all Regulatory Materials in the Novartis Territory with respect to T1 Licensed Products.

7.1.1.3. *Communications with Regulatory Authorities*. Novartis will provide Surface, through the JDC, as part of the [***] updates regarding Development activities described in Section 5.1.6.1, with a brief description in English, of the principal issues raised in any material communication with any Regulatory Authority in the Novartis Territory with respect to any T1 Licensed Product during the preceding Calendar Quarter. For purposes of this Section 7.1.1.3, "**material communication**" with Regulatory Authorities include meetings with Regulatory Authorities and Regulatory Authority questions or concerns regarding significant issues, including any of the following: key product quality attributes (e.g., purity), safety findings affecting the platform (e.g., Serious Adverse Events, emerging safety signals), clinical or nonclinical findings affecting patient safety, or lack of efficacy.

7.1.1.4. *Regulatory Meetings.* Novartis will use Commercially Reasonable Efforts, to the extent reasonably practicable, to permit Surface to have, at Surface's expense, mutually acceptable representatives of Surface attend, solely as a non-participating observer, material, substantive meetings including pre-IND meetings, with the Governmental Authorities pertaining to Research of such T1 Licensed Product; provided, however, that (a) if required by the Governmental Authority, attendance by Surface will be permitted; (b) attendance by Surface representatives will not prevent participation of a Novartis representative due to restrictions imposed by Regulatory Agencies on the number of attendees; and (c) Novartis will not be obligated to change the schedule of such meeting in order to accommodate the schedule of Surface's representatives. Novartis will provide Surface, through the JDC, with [***] updates of substantive meetings with the Governmental Authorities in the Novartis Territory pertaining to the Development of each T1 Licensed Product. For clarity, Novartis has the right to attend, at Novartis' expense, any material, substantive meetings held by or on behalf of Surface, including pre-IND meetings, with the Governmental Authorities pertaining to such T1 Licensed Product.

7.1.1.5. *Submissions*. With respect to each T1 Licensed Product, Novartis will provide Surface with written notice of each of the following events (a) within a reasonable period of time after the occurrence of such event in the Novartis Territory: (i); the submission of any filings or applications for Regulatory Approval (other than INDs) of such T1

Licensed Product to any Regulatory Authority; and (ii) receipt or denial of Regulatory Approval for such T1 Licensed Product; and (b) on a [***] basis, a summary of any INDs (including orphan drug applications and designations) that were filed for such T1 Licensed Product during such preceding [***] and those anticipated to be filed within the upcoming [***] provided, however, that Novartis will inform Surface of any such events under (a) or (b) prior to public disclosure of such event by Novartis.

7.1.2. *Costs of Regulatory Affairs*. [***] costs and expenses incurred in connection with applying for Regulatory Approval with respect to T1 Licensed Products in the Novartis Territory, and related regulatory affairs activities.

7.1.3. *Right of Reference*. Surface hereby grants to Novartis, and at the request of Novartis will grant to Novartis's Related Parties, a "Right of Reference," as that term is defined in 21 C.F.R. § 314.3(b) (or any successor rule or analogous Law recognized outside of the United States), to, and a right to copy, access, and otherwise use, all information and data (including all CMC information as well as data made, collected or otherwise generated in the conduct of any Clinical Studies or early access/named patient programs for the T1 Licensed Products) included in or used in support of any drug master file maintained by or on behalf of Surface (including its Related Parties) that relates to any T1 Licensed Product to the extent necessary or useful to Research, Develop, Manufacture or Commercialize T1 Licensed Products in the Novartis Territory. Notwithstanding anything to the contrary in this Agreement, Surface will not withdraw or inactivate any regulatory filing that Novartis or its Related Parties reference or otherwise use pursuant to this Section 7.1.3.

7.2. <u>Regional Licensed Products</u>.

7.2.1. *Regulatory Filings and Interactions*.

7.2.1.1. *Responsibilities*.

(a) Pursuant to the RLP Development Plan for a Regional Licensed Product and, except as otherwise provided in such RLP Development Plan, or set forth in Section 7.2.1.1(b) below, each Party will be solely responsible for all regulatory matters relating to such Regional Licensed Product in its Territory and will own all INDs, NDAs, Regulatory Materials and related regulatory documents in its Territory with respect to such Regional Licensed Product, including any drug master files maintained by or on behalf of such Party solely with respect thereto in such Territory, which will be and remain such Party's sole responsibility. At Novartis's request, [***] for a Regional Licensed Product, Surface will promptly assign and transfer to Novartis all INDs, Regulatory Materials and other regulatory documentation in the Novartis Territory with respect to such Regional Licensed Product that is in the possession and control of Surface, and each Party will submit to the applicable Regulatory Authority all filings, letters and other documentation necessary to effect such assignment and transfer as soon as practicable and no later than [***] after such request for such Regional Licensed Product, in each case, including any drug master files maintained by or on behalf of Surface solely with respect thereto. For clarity, Surface will not be required to transfer any drug master files maintained by or on behalf of any Third Party, including any contract manufacturer; provided that Novartis has access to or rights to cross-reference those drug master files pursuant to Section 7.2.3 to permit Novartis to comply with its regulatory obligation in connection with the Research, Development, Manufacture, and Commercialization of Regional Licensed Products. Each Party will have the sole right to (i) oversee, monitor and coordinate all regulatory actions, communications and filings with, and submissions to, each Regulatory Authority in its Territory with respect to such Regional Licensed Product; (ii) interface, correspond and meet with each Regulatory Authority in its Territory with respect to such Regional Licensed Product, and (iii) seek and maintain all regulatory filings in its Territory with respect to such Regional Licensed Product.

(b) Notwithstanding the foregoing, and solely with respect to the first Phase 1 Safety Study conducted under a RLP Development Plan, Surface will have the right, but not the obligation, to draft the protocol, develop the IND strategy, and file INDs globally, including in the Novartis Territory, after input and review by Novartis, and, if Surface exercises such right, Surface will use reasonable efforts to address any concerns raised by Novartis in connection with such activities. If Surface files INDs in the Novartis Territory as set forth above, then, unless otherwise agreed by the Parties, promptly following [***] Surface will assign the INDs in the Novartis Territory to Novartis and from that point forward, Novartis will be primarily responsible for the related regulatory activities with respect thereto in the Novartis Territory. Novartis will reimburse Surface for its portion of Development Costs incurred by Surface in accordance with Section 5.2.3.2 with respect to the performance of activities described in this Section 7.2.1.1, including drafting protocols, developing IND strategies and preparing and submitting INDs. If Surface does not exercise such right to file INDs in the Novartis Territory, then Novartis will draft the protocol, develop the IND strategy, and file the INDs in the Novartis Territory.

(c) *Communications with Regulatory Authorities.* Each Party will notify the JDC, including a brief description in English, of the principal issues raised in each material communication with Regulatory Authorities with respect to such Regional Licensed Product within [***] after receipt thereof. Upon request, each Party will provide to the other Party: (a) at the requesting Party's expense, a summary translation of such material communications in English, (b) at the requesting Party's expense, complete copies of the original correspondence in their native language, or (c) at the requesting Party's expense, a full translation of such material communications in English, in each case of (a) through (c) within a reasonable period of time following such request. For the purposes of this Section 7.2, "**material communications**" with Regulatory Authorities include meetings with Regulatory Authorities and Regulatory Authority questions or concerns with respect to significant issues, including any of the following: key product quality attributes (*e.g.*, purity), safety findings affecting the platform (*e.g.*, Serious Adverse Events, emerging safety signals), clinical or nonclinical findings affecting patient safety, lack of efficacy or receipt or denial of Regulatory Approval.

7.2.1.2. *Regulatory Meetings.* Each Party will provide the other Party with reasonable advance notice of all substantive meetings with the Governmental Authorities in its Territory pertaining to each Regional Licensed Product, or with as much advance notice as practicable under the circumstances. Each Party will use Commercially Reasonable Efforts, to the extent reasonably practicable, to permit the other Party to have, at the other Party's expense, mutually acceptable representatives of the other Party attend, solely as a non-participating observer, material, substantive meetings, including pre-IND and end of Phase 2 Study meetings, with the Governmental Authorities within either its or the other Party's Territory pertaining to such Regional Licensed Product; provided, however, that (a) if required by the Governmental Authority, attendance by the other Party will be permitted; (b) attendance by the representatives of the other Party will not prevent participation of a representative of the Party in charge of its Territory due to restrictions imposed by Regulatory Agencies on the number of attendees; and (c) neither Party will be obligated to change the schedule of such meeting in order to accommodate the schedule of the other Party's representatives. In the event that Surface exercises its rights pursuant to Section 7.2.1.1 to files INDs in the Novartis Territory, then prior to the acceptance or approval of the IND, Surface will provide Novartis with reasonable advance notice of all substantive meetings with Regulatory Authorities in the Novartis Territory pertaining to such Regional Licensed Product, or with as much advance notice as practicable under the circumstances. Surface will use reasonable efforts, to the extent reasonably practicable, to permit Novartis to have, at Novartis's expense, mutually acceptable representatives of Novartis to attend, as full and equal participants, material, substantive meetings, including pre-IND meetings, with Regulatory Authorities in the Novartis Territory pertaining to such Regional Licensed Product.

7.2.1.3. *Submissions.* Each Party will provide the other Party with written notice of each of the following events with regard to each Regional Licensed Product (a) within a reasonable period of time following the occurrence thereof, to the extent notice was not provided prior to the Option Exercise Date for such Regional Licensed Product: (i) the submission of any filings or applications for Regulatory Approval (other than INDs) of such Regional Licensed Product in such Party's Territory to any Regulatory Authority; and (ii) receipt or denial of Regulatory Approval for such Regional Licensed Product; and (b) on a [***] basis, a summary of any INDs (including orphan drug applications and designations) that were filed for such Regional Licensed Product during such preceding [***] and those anticipated to be filed within the upcoming [***] provided, however, that each Party will inform the other Party of such event under (a) or (b) prior to public disclosure of such event by such Party.

7.2.2. *Costs of Regulatory Affairs*. Except as provided in Section 5.3.5, [***] costs and expenses incurred in connection with applying for, obtaining and maintaining Regulatory Approval with respect to Regional Licensed Products in its Territory, and related regulatory affairs activities.

7.2.3. *Right of Reference.* Each Party hereby grants to the other Party, and at the request of the other Party will grant to the other Party's Related Parties, a "Right of Reference," as that term is defined in 21 C.F.R. § 314.3(b) (or any successor rule or analogous Law recognized outside of the United States), to, and a right to copy, access, and otherwise use, all information and data (including all CMC information as well as data made, collected or otherwise generated in the conduct of any Clinical Studies or upon exercise of the Additional Development Opt-In Right, Supplemental Studies or Regional [***] Activities, or early access/named patient programs for the Regional Licensed Products) included in or used in support of any regulatory filing, Regulatory Approval, drug master file or other regulatory documentation (including orphan drug applications and designations) maintained on behalf of such Party (or its Related Parties) that relates to any Regional Licensed Product, to the extent necessary or useful to obtain Regulatory Approval of a Regional Licensed Product in the Novartis Territory or the Surface Territory, as

applicable, and such Party will provide a signed statement to this effect, if requested by the other Party, in accordance with 21 C.F.R. § 314.50(g)(3) (or any successor or analogous Law outside of the United States). In addition, upon reasonable request of either Party (on behalf of itself or a Sublicensee), the other Party will obtain and provide to the requesting Party certificates or other formal or official attestations concerning the regulatory status of the Regional Licensed Products in the Novartis Territory or the Surface Territory, as applicable (e.g., Certificates of Free Sale, Certificates for Export, Certificates to Foreign Governments), at the requesting Party's request, and provided further that such attestations are reasonably necessary for the requesting Party to exercise its rights under this Agreement. Notwithstanding anything to the contrary in this Agreement other than for Safety Concerns, neither Party will withdraw or inactivate any regulatory filing that the other Party references or otherwise uses pursuant to this Section 7.2.3. For clarity, the benefit of any regulatory vouchers [***]

7.3. Global Licensed Products.

7.3.1. *Regulatory Filings and Interactions*.

7.3.1.1. *Ownership of Regulatory Filings*. Novartis will own all INDs, NDAs, Regulatory Materials and related regulatory documentation submitted to any Regulatory Authority with respect to any Global Licensed Product, including any drug master files maintained by or on behalf of Surface solely with respect thereto. At Novartis's request following [***] for a Global Licensed Product, Surface will promptly assign and transfer to Novartis all INDs, Regulatory Materials and other regulatory documentation in the Novartis Territory with respect to such Global Licensed Product that is in the possession or control of Surface, including any drug master files maintained by or on behalf of Surface solely with respect thereto, and each Party will submit all filings, letters and other documentation necessary to effect such assignment and transfer to the applicable Regulatory Authority as soon as reasonably practicable, but no later than [***] after such request for such Global Licensed Product. For clarity, Surface will not be required to transfer any drug master files maintained by or on behalf of any Third Party, including any contract manufacturer; provided that Novartis has access to or rights to cross-reference those drug master files pursuant to Section 7.3.3 to permit Novartis to comply with its regulatory obligation in connection with the Research, Development, Manufacture, and Commercialization of Global Licensed Products. Surface hereby appoints Novartis as Surface's agent for all matters related to each Global Licensed Product involving Regulatory Authorities in the Novartis Territory during the period beginning on the Option Exercise Date for such Global Licensed Product and ending on the date that the transfer of all INDs, Regulatory Materials and related regulatory documents in the Novartis Territory that relate to such Global Licensed Product, including any drug master files maintained by or on behalf of Surface solely with respect thereto, becomes effective, and Novartis hereby accepts such appointment.

7.3.1.2. *Responsibilities for Regulatory Matters*. Novartis will, using Commercially Reasonable Efforts, be solely responsible for all regulatory matters relating to Global Licensed Products in the Novartis Territory, including (i) overseeing, monitoring and coordinating all regulatory actions, communications and filings with, and submissions to, each Regulatory Authority in the Novartis Territory with respect to Global Licensed Products; (ii) interfacing, corresponding and meeting with each Regulatory Authority in the Novartis Territory with respect to Global Licensed Products; and (iii) seeking and maintaining all Regulatory Materials in the Novartis Territory with respect to Global Licensed Products.

7.3.1.3. *Communications with Regulatory Authorities*. Novartis will provide Surface, through the JDC, as part of the [***] updates regarding Development activities described in Section 5.3.6.1, with a brief description in English, of the principal issues raised in any material communication with any Regulatory Authority in the Novartis Territory with respect to any Global Licensed Product during the preceding Calendar Quarter. For purposes of this Section 7.3.1.3, "**material communication**" with Regulatory Authorities include meetings with Regulatory Authorities and Regulatory Authority questions or concerns regarding significant issues, including any of the following: key product quality attributes (e.g., purity), safety findings affecting the platform (e.g., Serious Adverse Events, emerging safety signals), clinical or nonclinical findings affecting patient safety, or lack of efficacy.

7.3.1.4. *Regulatory Meetings.* Novartis will use Commercially Reasonable Efforts, to the extent reasonably practicable, to permit Surface to have, at Surface's expense, mutually acceptable representatives of Surface attend, solely as a non-participating observer, material, substantive meetings, including pre-IND meetings, with the Governmental Authorities pertaining to Research of such Global Licensed Product should such meetings be deemed necessary by Novartis; provided, however, that (a) if required by the Governmental Authority, attendance by Surface will be permitted; (b) attendance by Surface representatives will not prevent participation of a Novartis representative due to restrictions imposed by Regulatory Agencies on the number of attendees; and (c) Novartis will

not be obligated to change the schedule of such meeting in order to accommodate the schedule of Surface's representatives. Novartis will provide Surface, through the JDC, with [***] updates of substantive meetings with the Governmental Authorities in the Novartis Territory pertaining to the Development of each Global Licensed Product.

7.3.1.5. *Submissions*. With respect to each Global Licensed Product, Novartis will provide Surface with prompt written notice of each of the following events (a) within a reasonable period of time after the occurrence of such event in the Novartis Territory: (i) the submission of any filings or applications for Regulatory Approval (other than INDs) of such Global Licensed Product to any Regulatory Authority; and ii) receipt or denial of Regulatory Approval for such Global Licensed Product; and (b) on a [***] basis, a summary of any INDs (including orphan drug applications and designations) that were filed for such Global Licensed Product during such preceding [***] and those anticipated to be filed within the upcoming [***] provided, however, that Novartis will inform Surface of any such events under (a) or (b) prior to public disclosure of such event by Novartis.

7.3.2. *Costs of Regulatory Affairs*. Except as set forth in Section 5.3.5, [***] incurred in connection with applying for Regulatory Approval with respect to Global Licensed Products in the Novartis Territory, and related regulatory affairs activities.

7.3.3. *Right of Reference*. Surface hereby grants to Novartis, and at the request of Novartis will grant to Novartis's Related Parties, a "Right of Reference," as that term is defined in 21 C.F.R. § 314.3(b) (or any successor rule or analogous Law recognized outside of the United States), to, and a right to copy, access, and otherwise use, all information and data (including all CMC information as well as data made, collected or otherwise generated in the conduct of any Clinical Studies or early access/named patient programs for the Global Licensed Products) included in or used in support of any drug master file maintained on behalf of Surface or its Related Parties that relates to any Global Licensed Product to the extent necessary or useful to Research, Develop, Manufacture or Commercialize Global Licensed Products in the Novartis Territory. Notwithstanding anything to the contrary in this Agreement, Surface will not withdraw or inactivate any regulatory filing that Novartis or its Related Parties reference or otherwise use pursuant to this Section 7.3.3.

7.4. Pharmacovigilance. The Parties will cooperate with regard to the reporting and handling of safety information involving the Regional Antibody Candidates or Regional Licensed Products in accordance with the applicable regulatory Laws and regulations on pharmacovigilance and clinical safety. Within such time to ensure that all regulatory requirements are met, the Parties shall negotiate in good faith and enter into a Safety Data Exchange Agreement ("**SDEA**"), which will define the pharmacovigilance responsibilities of the Parties and include safety data exchange procedures to enable each Party (and their respective related Third Parties, if any) to comply with all of its legal and regulatory obligations related to such Regional Antibody Candidates or Regional Licensed Products.

8. MANUFACTURE

8.1. T1 Antibody Candidates and T1 Licensed Products.

8.1.1. *Manufacturing Responsibilities*.

8.1.1.1. Subject to the oversight of the JRC, Surface has the sole responsibility to Manufacture (or have Manufactured) T1 Antibody Candidates for use in the T1 Research Program in accordance with the T1 Research Plan. Surface will Manufacture (or have Manufactured) such T1 Antibody Candidates in accordance with Novartis quality standards.

8.1.1.2. Subject to the oversight of the JDC, Surface has the sole responsibility to Manufacture (or have Manufactured) T1 Antibody Candidates and T1 Licensed Products for use in the first Phase 1 Safety Study for the T1 Antibody Candidates and T1 Licensed Products in accordance with the T1 Development Plan. Surface will Manufacture (or have Manufactured) such T1 Antibody Candidates in accordance with Novartis quality standards.

8.1.1.3. Other than the first Phase 1 Safety Study for the T1 Antibody Candidates and T1 Licensed Products, Novartis has the sole responsibility to Manufacture (or have Manufactured) T1 Antibody Candidates and T1 Licensed Products for use in Development and Commercialization of such T1 Antibody Candidates and T1 Licensed Products in the Novartis Territory.

8.1.2. *Manufacturing Costs*.

8.1.2.1. Surface will be responsible for [***] of all Manufacturing Costs relating to T1 Antibody Candidates incurred by or on behalf of Surface to support the T1 Research Program.

8.1.2.2. Novartis will pay to Surface [***] of reasonable Manufacturing Costs relating to the first Phase 1 Safety Study for T1 Antibody Candidates and T1 Licensed Products set forth in the Novartis approved budget for such Phase 1 Safety Study.

8.1.2.3. Other than the first Phase 1 Safety Study for the T1 Antibody Candidates and T1 Licensed Products, Novartis will be responsible for [***] of all Manufacturing Costs relating to T1 Antibody Candidates and T1 Licensed Products for use in the Research, Development and Commercialization of such T1 Antibody Candidates and T1 Licensed Products in the Novartis Territory incurred by or on behalf of Novartis.

8.1.3. *Manufacturing Contracts*. Surface will, at such time as determined by the JSC, use Commercially Reasonable Efforts to assign to Novartis or its designee all then-existing Manufacturing contracts with Third Party contract manufacturers that are solely related to the Manufacture of any T1 Antibody Candidates or T1 Licensed Products and that Novartis agrees to assume.

8.2. Option Antibody Candidates.

8.2.1. *Manufacturing Responsibilities*. Subject to the oversight of the JRC, Surface has the sole responsibility to Manufacture (or have Manufactured) Option Target Antibody Candidates, including CD47 Option Target Antibody Candidates, for use in the Option Target Research Programs in accordance with the Option Target Research Plans.

8.2.2. *Manufacturing Costs*. Surface will be responsible for [***] of all Manufacturing Costs incurred by or on behalf of Surface relating to Option Target Antibody Candidates, including CD47 Option Target Antibody Candidates, for use in the Option Target Research Programs. For clarity, responsibility for Manufacturing Clinical Study material will be allocated as set forth in under Sections 8.3 or 8.4, as applicable.

8.2.3. *Novartis Manufacturing Election*. Notwithstanding Sections 8.2.1 and 8.2.2, with respect to Option Target Antibody Candidates other than CD47 Option Target Antibody Candidates, Novartis shall have the right, on an Option Target-by-Option Target basis, exercisable at or about the time of selection by the JRC of the lead Option Target Antibody Candidate for the applicable Option Target, to Manufacture (or have Manufactured) Option Target Antibody Candidates for use in the applicable Option Target Research Program in accordance with the Option Target Research Plan (a "**Novartis Option Target Manufacturing Election**").

8.2.3.1. If Novartis makes a Novartis Option Target Manufacturing Election with respect to an Option Target (a) Novartis shall have sole responsibility to Manufacture (or have Manufactured) (i) effective upon such election, Option Target Antibody Candidates for such Option Target for use in the applicable Option Target Research Program; and (ii) effective upon Novartis' exercise of an Option with respect to such Option Target, Antibody Candidates and Licensed Products associated with such Licensed Target for use in the first Phase 1 Safety Study in accordance with the applicable Development Plan, and (b) Novartis will be responsible for [***] of all Manufacturing Costs incurred by or on behalf of Novartis (i) effective upon such election, Option Target Antibody Candidates for use in the applicable Option Target Research Program and (ii) effective upon Novartis' exercise of an Option with respect to such Option Target, Antibody Candidates and Licensed Products to support the first Phase 1 Safety Study for the applicable Antibody Candidates and Regional Licensed Products, including reasonable costs (calculated in the same manner as Development Costs) incurred by or on behalf of Surface to effect a technology transfer (to the extent necessary) to Novartis for purposes of Manufacturing pursuant to the Novartis Option Target Manufacturing Election.

8.2.3.2. If Novartis makes a Novartis Option Target Manufacturing Election with respect to an Option Target and thereafter does not purchase an Option with respect to such Option Target in accordance with Section 4.1.1 or exercise a purchased Option with respect to such Option Target in accordance with Section 4.2.6, then Novartis shall, (a) within [***] of expiration of the Option Purchase Period or Option Exercise Period, as applicable, provide to Surface or Surface's designated contract manufacturer(s), copies of all material data, reports, records and information in Novartis's possession and Control to the extent that such data, reports, records and information are used in the Manufacture of the applicable Antibody Candidates; (b) as soon as reasonably practicable, transfer to a Third Party approved by Novartis (such approval not to be unreasonably withheld, conditioned or delayed), those cell lines and master cell banks to the extent used solely in the Manufacture of the applicable Antibody Candidates; (c) within such [***] period if Surface so requests, and to the extent permitted under Novartis's obligations to Third Parties, use Commercially Reasonable Efforts to transfer to Surface any Third Party agreements relating solely to the Manufacture of the applicable Antibody Candidates to which Novartis is a party, subject to any required consents of such Third Party, which Novartis will use Commercially Reasonable Efforts to obtain promptly; and (d)

use Commercially Reasonable Efforts to continue to supply Surface with Antibody Candidates then being Manufactured (at the time of expiration of the Option Purchase Period or Option Exercise Period, as applicable) until the earlier of (i) Surface having established a source of supply for the applicable Antibody Candidates or (ii) [***] after expiration of the Option Purchase Period or Option Exercise Period, as applicable.

8.2.3.3. In addition, to (a) through (d) set forth in Section 8.2.3.2 above, Novartis will grant to Surface a worldwide, royalty-bearing non-exclusive license (with the right to sublicense subject to Section 9.2.2.4, *mutatis mutandis*) under such Know-How and Patents both (a) Controlled by Novartis as of the date of expiration of the Option Purchase Period or Option Exercise Period, as applicable and (b) necessary to Manufacture the applicable Antibody Candidate and corresponding Licensed Product (it being understood and agreed that with respect to any such Patents or Know-How that are in-licensed by Novartis or any of its Related Parties, Surface will be responsible for any payments due to a Third Party with respect thereto and Surface's rights will be subject to the terms of the applicable Third Party agreement), solely to the extent necessary to Manufacture such Antibody Candidate and corresponding Licensed Products in the Field (the "**Option License**"); provided that the Parties agree to negotiate in good faith commercially reasonable financial terms for such Option License, subject to Expedited Arbitration if the Parties are unable to agree on such financial terms within [***] following the date of expiration of the Option Purchase Period or Option Exercise Period, as applicable; provided further that after completion of such Expedited Arbitration, Surface will have the right to reject such Option License upon written notice to Novartis within [***] after the completion of the Expedited Arbitration, in which case, the Option License will not take effect and Surface will have no obligation to pay the amounts specified in such Expedited Arbitration.

8.3. Regional Antibody Candidates and Regional Licensed Products.

8.3.1. *Manufacturing Responsibilities.*

8.3.1.1. Phase 1 Safety Study. Subject to Section 8.2.3, and subject to the oversight of the JDC, Surface has the sole responsibility to Manufacture (or have Manufactured) Regional Antibody Candidates and Regional Licensed Products for use in the first Phase 1 Safety Study for the Regional Antibody Candidates and Regional Licensed Products in accordance with the RLP Development Plan.

8.3.1.2. Development. Other than the first Phase 1 Safety Study for the Regional Antibody Candidates and Regional Licensed Products (subject to Section 8.2.3), Novartis has the sole responsibility to Manufacture (or have Manufactured) Regional Antibody Candidates and Regional Licensed Products for use in Development of such Regional Antibody Candidates and Regional Licensed Products in the Novartis Territory and the Surface Territory. Novartis will use Commercially Reasonable Efforts to Manufacture sufficient Regional Licensed Products for use in all Clinical Studies provided for in the then-applicable RLP Development Plan and the Parties shall discuss in good faith engaging a Third Party contract manufacturer as a second source in order to ensure adequate supply. In the event of a shortage of Regional Licensed Products for Development, (a) the available Regional Licensed Products shall be allocated first to those Clinical Studies contemplated in the then-applicable RLP Development Plan and thereafter to Supplemental Studies in the order that such Supplemental Studies were initiated and (b) the Parties will in good faith discuss and agree upon a plan to increase supply volume as necessary, which plan may include utilization of a second source supplier.

8.3.1.3. Commercialization. Novartis shall have the right to determine whether it is willing to Manufacture Regional Antibody Candidates and Regional Licensed Products for use in Commercialization of such Regional Antibody Candidates and Regional Licensed Products in the Surface Territory and shall communicate such determination by written notice to Surface no later than Initiation of the first Phase 3 Study. If Novartis notifies Surface that it is willing to Manufacture Regional Antibody Candidates and Regional Licensed Products for use in Commercialization in the Surface Territory in accordance with the foregoing, then, Surface may elect, by written notice to Novartis no later than [***] after its receipt of such notice from Novartis whether to utilize Novartis for such Commercial Manufacturing in the Surface Territory or to retain a Third Party contract manufacturer(s) for such purpose. If either Novartis is not willing to provide such Commercial supply (a "**Novartis Election**") or Surface elects not to utilize Novartis for such Commercial supply (a "**Surface Election**"), then Novartis shall effect a technology transfer to a Third Party contract manufacturer(s) to enable such Third Party to provide Commercial supply of Regional Antibody Candidates and Regional Licensed Products for use in the Surface Territory, provided that such Third Party contract manufacturer(s) is approved by Novartis, such approval not to be unreasonably withheld, conditioned or delayed. The cost of such technology transfer shall be borne by (a) Novartis in the case of a Novartis Election; and (b) Surface in the case of either (i) a Surface Election or (ii) any request for a second

technology transfer, whether in the case of a Novartis Election or Surface Election; provided, however that Surface may not require of Novartis more than [***] such transfers for any Regional Licensed Product. Further, in the case of a Novartis Election, Novartis shall remain responsible for Manufacturing Commercial supply for use in the Surface Territory until the earlier of (x) such time as the technology transfer is completed or (y) [***] If Novartis is willing to Manufacture Regional Antibody Candidates and Regional Licensed Products for use in Commercialization in the Surface Territory and Surface elects to utilize Novartis for such Commercial Manufacturing in the Surface Territory, the terms of supply of such Regional Antibody Candidates and Regional Licensed Products for use in Commercialization of such Regional Antibody Candidates and Regional Licensed Products in the Surface Territory will be set forth in the RLP Supply Agreement.

8.3.2. *Manufacturing Costs*.

8.3.2.1. Phase 1 Safety Study. Subject to Section 8.2.3, Surface will be responsible for [***] of all Manufacturing Costs relating to Regional Antibody Candidates and Global Licensed Products incurred by or on behalf of Surface to support the first Phase 1 Safety Study for Regional Antibody Candidates and Regional Licensed Products.

8.3.2.2. Development. Novartis will be responsible for [***] of all Manufacturing Costs relating to Regional Antibody Candidates and Regional Licensed Products incurred by or on behalf of Novartis for use in the Development of such Regional Antibody Candidates and Regional Licensed Products in the Novartis Territory. Other than the first Phase 1 Safety Study for the Regional Antibody Candidates and Regional Licensed Products (subject to Section 8.2.3), Surface shall reimburse Novartis for [***] of all Manufacturing Costs relating to Regional Antibody Candidates and Regional Licensed Products incurred by or on behalf of Novartis for use in the Development of such Regional Antibody Candidates and Regional Licensed Products in the Surface Territory. For clarity, costs incurred by the Parties in connection with the Manufacture of Regional Antibody Candidates and Regional Licensed Products for use in the Development of such Regional Antibody Candidates and Regional Licensed Products in the Novartis Territory or the Surface Territory in accordance with the applicable RLP Development Plan shall constitute Development Costs to be allocated between the Parties in accordance with Section 5.2.4.2.

8.3.2.3. Commercialization. Each Party shall be responsible for [***] of all Manufacturing Costs relating to Regional Licensed Products for use by such Party or its Related Parties in the Commercialization of Regional Licensed Products in such Party's Territory. With respect to Regional Licensed Products (including any Component of a Regional Licensed Product that is a Combination) purchased by Surface from Novartis for use in the Surface Territory, Surface shall pay Novartis an amount equal to Commercial Manufacturing Cost for such Regional Licensed Products. For purposes hereof, "**Commercial Manufacturing Cost**" shall be calculated as follows:

(i) With respect to any Regional Licensed Product which is not a Combination, an amount equal to Manufacturing Cost plus a Mark-Up. The Mark-Up shall be set forth in the RLP Supply Agreement to be entered into between the Parties; in the event the Parties are unable to agree upon such Mark-Up, the dispute shall be submitted to Expedited Arbitration for resolution.

(ii) With respect to any Regional Licensed Product which is a Combination, an amount specified on Exhibit A-2. Any Mark-Up set forth in such Exhibit shall be set forth in the RLP Supply Agreement to be entered into between the Parties; in the event the Parties are unable to agree upon such Mark-Up, the dispute shall be submitted to Expedited Arbitration for resolution.

8.3.3. *Manufacturing and Supply Agreements.*

8.3.3.1. The terms under which Novartis will Manufacture and supply Regional Antibody Candidates and Regional Licensed Products to Novartis pursuant to Section 8.3 will be set forth in a supply agreement to be entered into between the Parties (the "**RLP Supply Agreement**") within [***] of either Party's written request. The RLP Supply Agreement will contain customary terms and conditions, including quality, and otherwise be consistent with this Agreement and Novartis quality standards.

8.3.3.2. Subject to Section 8.2.3, Surface will, at such time as determined by the JSC, use Commercially Reasonable Efforts to assign to Novartis or its designee all then-existing Manufacturing contracts with Third Party contract manufacturers that are solely related to the Manufacture of any Regional Antibody Candidates or Regional Licensed Products and that Novartis agrees to assume.

8.4. Global Antibody Candidates and Global Licensed Products.

8.4.1. *Manufacturing Responsibilities*.

8.4.1.1. Subject to Section 8.2.3 and subject to the oversight of the JDC, Surface has the sole responsibility to Manufacture (or have Manufactured) Global Antibody Candidates and Global Licensed Products for use in the first Phase 1 Safety Study for the Global Antibody Candidates and Global Licensed Products in accordance with the Global Development Plan.

8.4.1.2. Other than the first Phase 1 Safety Study for the Global Antibody Candidates and Global Licensed Products (subject to Section 8.2.3), Novartis has the sole responsibility to Manufacture (or have Manufactured) Global Antibody Candidates and Global Licensed Products for use in Development and Commercialization of such Global Antibody Candidates and Global Licensed Products in the Novartis Territory.

8.4.2. *Manufacturing Costs*.

8.4.2.1. Subject to Section 8.2.3, Surface will be responsible for [***] of all Manufacturing Costs relating to Global Antibody Candidates and Global Licensed Products incurred by or on behalf of Surface to support the first Phase 1 Safety Study for Global Antibody Candidates and Global Licensed Products.

8.4.2.2. Other than the first Phase 1 Safety Study for the Global Antibody Candidates and Global Licensed Products (subject to Section 8.2.3), Novartis will be responsible for [***] of all Manufacturing Costs relating to Global Antibody Candidates and Global Licensed Products for use in the Research, Development and Commercialization of such Global Antibody Candidates and Global Licensed Products by or on behalf of Novartis in the Novartis Territory.

8.4.3. *Manufacturing Agreements*. Surface will, at such time as determined by the JSC, use Commercially Reasonable Efforts to assign to Novartis or its designee all then-existing Manufacturing contracts with Third Party contract manufacturers that are solely related to the Manufacture of any Global Antibody Candidates or Global Licensed Products and that Novartis agrees to assume .

8.5. Third Parties. The Parties will be entitled to utilize the services of Third Parties to perform their respective Manufacturing activities under this Section 8, provided that (a) [***] (b) each Party will require that such Third Party operates in a manner consistent with the terms of this Agreement, and (c) each Party will remain at all times fully liable for its respective responsibilities contracted to such Third Party. Each Party will require that any such Third Party agreement entered into pursuant to this Section 8.5 (x) include confidentiality and non-use provisions that are no less stringent than those set forth in Section 11.1 (but of duration customary in confidentiality agreements entered into for a similar purpose), other than Existing Novartis In-Licenses and the agreements listed on Schedule 12.2.1, each of which contains reasonable and customary confidentiality and non-use provisions; and (y) except as identified on Exhibit K, obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) under and to, any Know-How and Patents that are developed by such Third Party in the performance of such agreement and are reasonably necessary or useful to Research, Develop, Manufacture or Commercialize Antibody Candidates or Licensed Products in the Field. For clarity, the foregoing requirement to obtain ownership of, or a fully sublicensable license (or an exclusive option to obtain such license) shall not apply to any background or foundational Know-How or Patents owned or in-licensed by a Third Party contract manufacturer or its Affiliates (including any improvements thereto) unless such background or foundational Know-How or Patents (or improvements thereto) are reasonably necessary to Research, Develop, Manufacture or Commercialize those Antibody Candidates or Licensed Products in the Field with respect to which such Third Party or its Affiliate conducted its activities under such Third Party agreement. The Party utilizing the services of a Third Party service provider will be solely responsible for direction of and communications with such Third Party. [***]

9. LICENSES

9.1. T1 Target.

9.1.1. *Research and Development License*. Subject to the terms and conditions of this Agreement, effective upon the Effective Date, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.1.4) exclusive (even as to Surface) license under Surface Technology to Research and Develop T1 Antibody Candidates and T1 Licensed Products in the Field anywhere in the world. Notwithstanding the foregoing, Surface retains the right under the Surface Technology, without the right to grant licenses or sublicenses without Novartis' prior written consent, to Research T1 Antibody Candidates and T1 Licensed Products in the Field

anywhere in the world as and to the extent provided in any approved T1 Research Plan or as otherwise permitted under Section 3.1.1 or elsewhere under this Agreement.

9.1.2. *Commercialization License*. Subject to the terms and conditions of this Agreement, effective upon the Effective Date, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.1.4), royalty-bearing, exclusive (even as to Surface) license under Surface Technology to Commercialize T1 Licensed Products in the Field anywhere in the world.

9.1.3. *Manufacturing Licenses*. Subject to the terms and conditions of this Agreement, effective upon the Effective Date, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.1.4), exclusive (even as to Surface) license under Surface Technology to Manufacture T1 Antibody Candidates and T1 Licensed Products anywhere in the world for Research, Development and Commercialization in the Novartis Territory. Notwithstanding the foregoing, Surface retains the right under the Surface Technology, without the right to grant licenses or sublicenses without Novartis' prior written consent, to Manufacture T1 Antibody Candidates and T1 Licensed Products in the Field anywhere in the world for Research as and to the extent provided in any approved T1 Research Plan or permitted under Section 8.1.1 of this Agreement or as permitted elsewhere under this Agreement.

9.1.4. *Sublicensing Terms*.

9.1.4.1. Novartis will have the right to sublicense any of its rights under Sections 9.1.1, 9.1.2 and 9.1.3 to any of its Affiliates or to any Third Party (which sublicensed rights may be further sublicensable through multiple tiers) without the prior consent of Surface, subject to the requirements of this Section 9.1.4.

9.1.4.2. Each sublicense granted by Novartis pursuant to this Section 9.1.4 will be subject and subordinate to this Agreement and will contain provisions consistent with the terms and conditions of this Agreement. Novartis will as soon as reasonably practicable thereafter, provide Surface with a copy of any executed sublicense agreement covering a material sublicense granted hereunder (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 9.1.4), and each such sublicense agreement will contain the following provisions: (i) a requirement that the Sublicensee comply with the confidentiality and non-use provisions of Section 11.1 with respect to Surface's Confidential Information, (ii) if such sublicense agreement contains a sublicense of Section 9.1.2, such sublicense agreement will also contain the following provisions: (x) a requirement that the Sublicensee submit applicable sales or other reports to Novartis to the extent necessary or relevant to the reports required to be made or records required to be maintained under this Agreement; and (y) the audit requirement set forth in Section 10.12.3; and (iii) a requirement that the Sublicensee comply with the applicable provisions under any Surface In-License.

9.1.4.3. Notwithstanding any sublicense, Novartis will remain primarily liable to Surface for the performance of all of Novartis's obligations under, and Novartis's compliance with all provisions of, this Agreement.

9.2. <u>Regional Targets</u>.

9.2.1. *License Grants to Novartis*.

9.2.1.1. *Research and Development License*. Subject to the terms and conditions of this Agreement, on a Regional Target-by-Regional Target basis, effective upon the Option Exercise Date for each Regional Target, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.2.1.4) exclusive (even as to Surface) license under Surface Technology to Research and Develop such Regional Antibody Candidates and Regional Licensed Products in the Field anywhere in the world; provided, that, such license grant for Research and Development will be limited in each case solely as and to the extent provided in any approved RLP Development Plan or as otherwise permitted under Section 4.2.6.5 or elsewhere under this Agreement, and in each case, solely for Regulatory Approval and Commercialization in the Novartis Territory. Notwithstanding the foregoing, Surface retains the right under the Surface Technology, with the right to grant licenses through multiple tiers in accordance with Section 9.2.2.4, which shall apply *mutatis mutandis*, to (a) conduct the Phase 1 Safety Study for each Regional Antibody Candidate or Regional Licensed Product, and (b) to Research and Develop each Regional Antibody Candidate or Regional Licensed Product in the Field anywhere in the world, in each case solely as and to the extent provided in any approved RLP Development Plan or as otherwise permitted under Section 4.2.6.5 or elsewhere under this Agreement, and in each case, solely for Regulatory Approval and Commercialization in the Surface Territory.

9.2.1.2. *Commercialization License in the Novartis Territory*. Subject to the terms and conditions of this Agreement, on a Regional Target-by-Regional Target basis, effective upon the Option Exercise Date for each Regional Target, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.2.1.4), royalty-bearing, exclusive (even as to Surface) license under Surface Technology to Commercialize such Regional Licensed Products in the Field in the Novartis Territory.

9.2.1.3. *Manufacturing Licenses*. Subject to the terms and conditions of this Agreement and the applicable RLP Supply Agreement (if any), on a Regional Target-by-Regional Target basis, effective upon the Option Exercise Date for each Regional Target, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.2.1.4), exclusive (even as to Surface) license under Surface Technology to Manufacture such Regional Antibody Candidates and Regional Licensed Products anywhere in the world solely for (a) Research, Development and Commercialization in the Field in the Novartis Territory and, to the extent permitted under this Agreement or any RLP Supply Agreement, for Research and Development in the Field in the Surface Territory; and (b) to the extent provided for under Section 8.2.3 or 8.3 or elsewhere under this Agreement or any RLP Supply Agreement, to supply (or have supplied) to Surface or use in the Field. Notwithstanding the foregoing, Surface retains the right under the Surface Technology, with the right to grant licenses through multiple tiers in accordance with Section 9.2.2.4, which shall apply *mutatis mutandis*, to Manufacture Regional Antibody Candidates and Regional Licensed Products anywhere in the world (a) for Research and Development in the Field as and to the extent provided in any approved RLP Development Plan, or permitted under Section 8.3 or elsewhere under this Agreement or under any RLP Supply Agreement and (b) to the extent provided for under Section 8.2.3 or any RLP Supply Agreement for Commercialization in the Field in the Surface Territory.

9.2.1.4. *Sublicensing Terms*.

(a) Novartis will have the right to sublicense any of its rights under Sections 9.2.1.1, 9.2.1.2 and 9.2.1.3 to any of its Affiliates or to any Third Party (which sublicensed rights may be further sublicensable through multiple tiers) without the prior consent of Surface, subject to the requirements of this Section 9.2.1.4.

(b) Each sublicense granted by Novartis pursuant to this Section 9.2.1.4 will be subject and subordinate to this Agreement and will contain provisions consistent with the terms and conditions of this Agreement. Novartis will as soon as reasonably practicable thereafter, provide Surface with a copy of any executed sublicense agreement covering a material sublicense granted hereunder (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 9.2.1.4), and each such sublicense agreement will contain the following provisions: (i) a requirement that the Sublicensee comply with the confidentiality and non-use provisions of Section 11.1 with respect to Surface's Confidential Information, (ii) if such sublicense agreement contains a sublicense of Section 9.2.1.2, such sublicense agreement will also contain the following provisions: (x) a requirement that the Sublicensee submit applicable sales or other reports to Novartis to the extent necessary or relevant to the reports required to be made or records required to be maintained under this Agreement; and (y) the audit requirement set forth in Section 10.12.3; and (iii) a requirement that the Sublicensee comply with the applicable provisions under any Surface In-License.

(c) Notwithstanding any sublicense, Novartis will remain primarily liable to Surface for the performance of all of Novartis's obligations under, and Novartis's compliance with all provisions of, this Agreement.

9.2.2. *License Grants to Surface*.

9.2.2.1. *Research and Development License*. Subject to the terms and conditions of this Agreement, on a Regional Target-by-Regional Target basis, effective upon the Option Exercise Date for each Regional Target, Novartis hereby grants Surface a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.2.2.4) exclusive (even as to Novartis) license under Novartis Technology to Research and Develop such Regional Antibody Candidates and Regional Licensed Products in the Field anywhere in the world; provided, that such license grant for Research and Development will be limited in each case solely as and to the extent provided in any approved RLP Development Plan or as otherwise permitted under this Agreement, and in each case, solely for Regulatory Approval and Commercialization in the Surface Territory. Notwithstanding the foregoing, Novartis retains the right under the Novartis Technology, with the right to grant licenses through multiple tiers in accordance with Section 9.2.2.4, which shall apply *mutatis mutandis*, to Research and Develop each Regional Antibody Candidate or Regional Licensed Product in the Field anywhere in the world, in each case solely as and to the extent provided in any approved RLP Development Plan or as otherwise permitted under Section 4.2.6.5 or elsewhere

under this Agreement, and in each case, solely for Regulatory Approval and Commercialization by Novartis in the Novartis Territory.

9.2.2.2. *Commercialization License in the Surface Territory*. Subject to the terms and conditions of this Agreement, on a Regional Target-by-Regional Target basis, effective upon the Option Exercise Date for each Regional Target, Novartis hereby grants Surface a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.2.2.4), royalty-bearing, exclusive (even as to Novartis) license under Novartis Technology to Commercialize such Regional Licensed Products in the Field in the Surface Territory.

9.2.2.3. *Manufacturing Licenses*. Subject to the terms and conditions of this Agreement and the applicable RLP Supply Agreement (if any), on a Regional Target-by-Regional Target basis, effective upon the Option Exercise Date for each Regional Target, Novartis hereby grants Surface a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.2.2.4), exclusive (even as to Novartis) license under Novartis Technology to Manufacture such Regional Antibody Candidates and Regional Licensed Products anywhere in the world solely for (a) Research and Development as and to the extent provided in any approved RLP Development Plan, or permitted elsewhere under this Agreement or any RLP Supply Agreement and (b) to the extent provided for under Section 8.2.3 or 8.3 or elsewhere under this Agreement or any RLP Supply Agreement, for Commercialization in the Surface Territory. Notwithstanding the foregoing, Novartis retains the right under the Novartis Technology, with the right to grant licenses through multiple tiers in accordance with Section 9.2.2.4, which shall apply *mutatis mutandis*, to Manufacture Regional Antibody Candidates and Regional Licensed Products anywhere in the world (a) for Research, Development and Commercialization in the Novartis Territory and, to the extent permitted pursuant to Section 5.2.2 or elsewhere under this Agreement or any RLP Supply Agreement for Research and Development in the Surface Territory, and (b) to the extent permitted pursuant to Section 8.2.3 or Section 8.3.3 or elsewhere under this Agreement or any RLP Supply Agreement, to supply (or have supplied to) Surface.

9.2.2.4. *Sublicensing Terms*.

(a) Surface will have the right to sublicense any of its rights under Sections 9.2.1.1, 9.2.1.2,9.2.1.3, 9.2.2.1, 9.2.2.2, and 9.2.1.3 to any of its Affiliates or to any Third Party (which sublicensed rights may be further sublicensable through multiple tiers) without the prior consent of Novartis, subject to the requirements of this Section 9.2.2.4.

(b) Each sublicense granted by Surface pursuant to this Section 9.2.2.4 will be subject and subordinate to this Agreement and will contain provisions consistent with the terms and conditions of this Agreement. Surface will as soon as reasonably practicable thereafter, provide Novartis with a copy of any executed sublicense agreement covering a material sublicense granted hereunder (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 9.2.2.4), and each such sublicense agreement will contain the following provisions: (i) a requirement that the Sublicensee comply with the confidentiality and non-use provisions of Section 11.1 with respect to Novartis's Confidential Information, (ii) if such sublicense agreement contains a sublicense of Section 9.2.2.2, such sublicense agreement will also contain the following provisions: (x) a requirement that the Sublicensee submit applicable sales or other reports to Surface to the extent necessary or relevant to the reports required to be made or records required to be maintained under this Agreement; and (y) the audit requirement set forth in Section 10.12.3; and (iii) a requirement that the Sublicensee comply with the applicable provisions under any Novartis In-License.

(c) Notwithstanding any sublicense, Surface will remain primarily liable to Novartis for the performance of all of Surface's obligations under, and Surface's compliance with all provisions of, this Agreement.

(d) Notwithstanding the other provisions of this Section 9.2.2.4, if Surface proposes to enter into an agreement with a Third Party with respect to the Research, Development, Manufacture or Commercialization of any Regional Antibody Candidate or Regional Licensed Product, which agreement includes the grant of a sublicense under Section 9.2.2.2 or other rights to Commercialize any Regional Licensed Product in the Surface Territory (any such agreement, a "**Proposed Surface Sublicense**"), Surface will so notify Novartis in writing. Novartis will have [***] exercisable by written notice to Surface at any time within [***] following receipt of Surface's notice, to obtain (via termination and reversion to Novartis of the applicable licenses granted by Novartis to Surface hereunder, grant of a sublicense back to Novartis or to otherwise) the licenses or other rights proposed to be granted to the Third Party pursuant to such Proposed Surface Sublicense on terms to be negotiated in good faith by the Parties for up to [***] following exercise of such right of first negotiation. If Novartis does not exercise [***] within such initial [***] period, or if the Parties cannot agree on mutually acceptable terms during such subsequent [***] period, then, subject to the other terms of this Section 9.2.2.4, for a period of [***] following expiration of such subsequent [***]

period, Surface may enter into the Proposed Surface Sublicense with a Third Party, provided, however, that Surface may not enter into any such Proposed Surface Sublicense during such [***] In all events, this Section 9.2.2.4(d) will not apply to (a) any permitted assignment of this Agreement under Section 16.1, or (b) any bona fide agreement with a Third Party contract sales organization, contract research organization or contract manufacturer, under which such Third Party performs contract services on behalf of Surface or any of its Affiliates for the Research, Development, or Manufacture of any Regional Antibody Candidate or Regional Licensed Product as permitted under this Agreement on a fee-for-services basis, it being understood that under an agreement for such fee-for-services, fees paid to the Third Party for such services may include milestones or royalties.

9.3. Global Targets.

9.3.1. *Research and Development License*. Subject to the terms and conditions of this Agreement, on a Global Target-by-Global Target basis, effective upon the Option Exercise Date for each Global Target, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.3.4) exclusive (even as to Surface), license under Surface Technology to Develop such Global Antibody Candidates and Global Licensed Products in the Field anywhere in the world. Notwithstanding the foregoing, Surface retains the right under the Surface Technology, with the right to grant licenses through multiple tiers in accordance with Section 9.2.2.4, which shall apply *mutatis mutandis* solely to (a) Research Global Antibody Candidates and Global Licensed Products in the Field anywhere in the world as permitted under Section 4.2.6.5 or elsewhere under this Agreement, and (b) conduct the Phase 1 Safety Study for each Global Antibody Candidate and Global Licensed Product in accordance with the Global Development Plan.

9.3.2. *Commercialization License*. Subject to the terms and conditions of this Agreement, on a Global Target-by-Global Target basis, effective upon the Option Exercise Date for each Global Target, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.3.4), royalty-bearing, exclusive (even as to Surface), license under Surface Technology to Commercialize such Global Licensed Products in the Field anywhere in the world.

9.3.3. *Manufacturing Licenses*. Subject to the terms and conditions of this Agreement, on a Global Target-by-Global Target basis, effective upon the Option Exercise Date for each Global Target, Surface hereby grants Novartis a non-transferable (except as provided in Section 16.1), sublicensable (subject to Section 9.3.4), exclusive (even as to Surface) license under Surface Technology to Manufacture such Global Antibody Candidates or Global Licensed Products anywhere in the world for Research, Development and Commercialization in the Novartis Territory. Notwithstanding the foregoing, Surface retains the right under the Surface Technology, with the right to grant licenses through multiple tiers in accordance with Section 9.2.2.4, which shall apply *mutatis mutandis* solely to Manufacture Global Antibody Candidates and Global Licensed Products in the Field anywhere in the world for Research as and to the extent permitted under the approved Global Development Plan or permitted under Section 8.4.1 of this Agreement or as permitted elsewhere under this Agreement.

9.3.4. *Sublicensing Terms*.

9.3.4.1. Novartis will have the right to sublicense any of its rights under Sections 9.3.1, 9.3.2 and 9.3.3 to any of its Affiliates or to any Third Party (which sublicensed rights may be further sublicensable through multiple tiers) without the prior consent of Surface, subject to the requirements of this Section 9.3.4.

9.3.4.2. Each sublicense granted by Novartis pursuant to this Section 9.3.4 will be subject and subordinate to this Agreement and will contain provisions consistent with the terms and conditions of this Agreement. Novartis will as soon as reasonably practicable thereafter, provide Surface with a copy of any executed sublicense agreement covering a material sublicense granted hereunder (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 9.3.4), and each such sublicense agreement will contain the following provisions: (i) a requirement that the Sublicensee comply with the confidentiality and non-use provisions of Section 11.1 with respect to Surface's Confidential Information, (ii) if such sublicense agreement contains a sublicense of Section 9.3.2, such sublicense agreement will also contain the following provisions: (x) a requirement that the Sublicensee submit applicable sales or other reports to Novartis to the extent necessary or relevant to the reports required to be made or records required to be maintained under this Agreement; and (y) the audit requirement set forth in Section 10.12.3; and (iii) a requirement that the Sublicensee comply with the applicable provisions under any Surface In-License.

9.3.4.3. Notwithstanding any sublicense, Novartis will remain primarily liable to Surface for the performance of all of Novartis's obligations under, and Novartis's compliance with all provisions of, this Agreement.

9.4. Joint Collaboration IP. Subject to the rights and licenses granted to, and the obligations (including royalty obligations) of, each Party under this Agreement, including any exclusivity obligations, either Party is entitled to practice Joint Collaboration IP for all purposes on a worldwide basis without consent of and without a duty of accounting to the other Party. Each Party will grant and hereby does grant all permissions, consents and waivers with respect to, and all licenses under, the Joint Collaboration IP, throughout the world, necessary to provide the other Party with such rights of use and exploitation of the Joint Collaboration IP, and will execute documents as necessary to accomplish the foregoing.

9.5. In-Licenses.

9.5.1. *In-Licenses*. The Parties agree that all [***] payments to any Third Party in respect of any Collaboration In-License, Surface Existing In-Licenses or Novartis Existing In-License will be deemed a "**Third Party Payment**" and subject to this Section 9.5. Responsibility for Collaboration In-Licenses, Surface Existing In-Licenses, Novartis Existing In-License and Third Party Payments will be as follows:

9.5.1.1. Subject to Section 10.10.6 Surface will be responsible for all Third Party Payments under the Surface Existing In-Licenses.

9.5.1.2. Novartis will be responsible for all Third Party Payments under the Novartis Existing In-Licenses.

9.5.1.3. The Parties acknowledge that during the Term, the JSC may determine that Research, Development, Manufacture or Commercialization of any Antibody Candidates or Licensed Products may require or benefit from a license acquired or entered into after the Effective Date with respect to additional Patents or Know-How of Third Parties (a "**Potential In-License**"). If a Party acquires or otherwise enters into any Potential In-License after the Effective Date with respect to the Research, Development, Manufacture, or Commercialization of any Antibody Candidates or Licensed Products, such Party will endeavor to bring such Potential In-License to the attention of the JSC. If a Potential In-License is brought to the attention of the JSC pursuant to this Section 9.5.1.3, the Parties will, through the JSC, discuss in good faith whether such Potential In-License should be made available for use by the Parties pursuant to this Agreement with respect to such Party's rights under this Agreement to conduct Research, Development, Manufacture, or Commercialization of any Antibody Candidates or Licensed Products. The Party to the Potential In-License will propose, through the JSC, an equitable allocation of any non-product specific upfront payments, milestone payments or similar payments payable under the Potential In-License [***] Any upfront payments, milestone payments or similar payments that are specific to the Antibody Candidates or Licensed Products will be allocated [***] to the corresponding Antibody Candidates or Licensed Products. The JSC will discuss the rationale of including the Potential In-License and the proposed economics associated with doing so (including related royalty obligations). For any Potential In-License that the JSC approves for use by the Parties pursuant to this Agreement, (i) such Potential In-License will be deemed to be a "**Collaboration In-License**" hereunder, (ii) the Patents and Know-How in-licensed under such Collaboration In-License will be deemed "Controlled" under this Agreement as Surface Patents or Surface Know-How (as applicable) or Novartis Patents or Novartis Know-How (as applicable) for purposes of Research, Development, Manufacture, or Commercialization of any Antibody Candidates or Licensed Products, (iii) any allocated payments for Regional Antibody Candidates or Regional Licensed products that are non-territory specific or for the Surface Territory will be allocated as Development Costs under Section 5.2.3.2, and (iv) any allocated payments for a Party's Territory will be borne by the applicable Party. If the JSC does not approve such Potential In-License, then the applicable Party may proceed to enter into the Potential In-License, provided that (A) such Potential In-License will not be deemed to be a Collaboration In-License hereunder, (B) the Patents and Know-How in-licensed under such Potential In-License will not be deemed Surface Patents or Surface Know-How (as applicable) or Novartis Patents or Novartis Know-How (as applicable) and will not be deemed "Controlled" for purposes of this Agreement, (C) each Party will have the right to enter into such Potential In-License solely with respect to in its own Territory and, subject to Section 10.10.3, bear [***] of any Third Party Payment thereunder, and the other Party will not be entitled to use any Patents or Know-How in-licensed under such Potential In-License in connection with the performance of this Agreement in its Territory; [***]

9.5.2. *Compliance with In-Licenses*. All licenses and other rights granted to Novartis under this Section 9 are subject to the rights and obligations of Surface under the Surface In-Licenses. All licenses and other rights granted to Surface under this Section 9 are subject to the rights and obligations of Novartis under the Novartis In-Licenses.

Each Party will comply with all applicable provisions of the In-Licenses, and will perform and take such actions as may be required to allow the Party that is party to such In-License to comply with its obligations thereunder, including obligations relating to sublicensing, patent matters, confidentiality, reporting, audit rights, indemnification and diligence. Without limiting the foregoing, each Party will prepare and deliver to the other Party any additional reports required under the applicable In-Licenses and reasonably requested by such other Party, in each case sufficiently in advance to enable the Party that is party to such In-License to comply with its obligations under the applicable In-Licenses. Each Party agrees, upon the other Party's reasonable request, to provide the other Party with copies of any In-Licenses to which it is a party. Confidential Information of the providing Party or its counterparty may be redacted from such copies, except to the extent that such information is required in order to enable the other Party to comply with its obligations to the providing Party under this Agreement with respect to such In-License or in order to enable the providing Party to ascertain compliance with the terms and conditions of this Agreement.

9.6. Combinations. Notwithstanding any other provision of this Agreement, for purposes of the license grants under Sections 9.1 through Section 9.3 with respect to any Licensed Product that is a Combination, such license will only include a license with respect to any Party Component of such Combination if such Licensed Product (a) is a Combination Product or (b) a Combination Therapy [***] For clarity, except in the case of the foregoing clause (b), in no event is a license granted hereunder to either Party or its Related Parties with respect to a the other Party's Component of a Combination Therapy.

9.7. Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by a Party to the other are and will otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, licenses of right to "intellectual property" as defined under Section 101 of the Bankruptcy Code. The Parties agree that the Parties and their respective Sublicensees, as Sublicensees of such rights under this Agreement, will retain and may fully exercise all of their rights and elections under the Bankruptcy Code and any foreign counterpart thereto. The Parties further agree that upon commencement of a bankruptcy proceeding by or against a Party (the "**Bankrupt Party**") under the Bankruptcy Code, the other Party (the "**Non-Bankrupt Party**") will be entitled to a complete duplicate of, or complete access to (as the Non-Bankrupt Party deems appropriate), all such intellectual property and all embodiments of such intellectual property. Such intellectual property and all embodiments of such intellectual property will be promptly delivered to the Non-Bankrupt Party (a) upon any such commencement of a bankruptcy proceeding and upon written request by the Non-Bankrupt Party, unless the Bankrupt Party elects to continue to perform all of its obligations under this Agreement, or (b) if not delivered under (a) above, upon the rejection of this Agreement by or on behalf of the Bankrupt Party and upon written request by the Non-Bankrupt Party. The Bankrupt Party (in any capacity, including debtor-in-possession) and its successors and assigns (including any trustee) agree not to interfere with the exercise by the Non-Bankrupt Party or its Related Parties of its rights and licenses to such intellectual property and such embodiments of intellectual property in accordance with this Agreement, and agrees to assist the Non-Bankrupt Party and its Related Parties in obtaining such intellectual property and such embodiments of intellectual property in the possession or control of Third Parties as are reasonably necessary or desirable for the Non-Bankrupt Party to exercise such rights and licenses in accordance with this Agreement. The foregoing provisions are without prejudice to any rights the Non-Bankrupt Party may have arising under the Bankruptcy Code or other Laws.

9.8. No Other Rights. Except as otherwise expressly provided in this Agreement, under no circumstances will a Party or any of its Affiliates, as a result of this Agreement, obtain any ownership interest, license or other right in or to any Know-How, Patents or other intellectual property rights of the other Party, including tangible or intangible items owned, controlled or developed by the other Party, or provided by the other Party to the receiving Party at any time, pursuant to this Agreement. Neither Party nor any of its Affiliates will use or practice any Know-How or Patents licensed or provided to such Party or any of its Affiliates outside the scope of or otherwise not in compliance with the rights and licenses granted to such Party and its Affiliates under this Agreement.

10. PAYMENTS

10.1. Initial License Fee. Novartis will pay to Surface within [***] after receipt of an invoice from Surface, which invoice shall be substantially in the form of Exhibit L and issued promptly following the Effective Date, a one-time payment of Seventy Million Dollars ($70,000,000). Such payment will be non-refundable, non-creditable and not subject to set-off.

10.2. Equity Investment. Novartis and Surface will enter into the Equity Agreements as of the Effective Date.

10.3. Option Purchase Fee. On a Regional Option Target-by-Regional Option Target basis, no later than [***] after receipt of an invoice from Surface, which invoice shall be substantially in the form of Exhibit L and issued by Surface promptly following the date of the Option Purchase Notice for each Option Target, Novartis will pay to Surface an option exercise right purchase fee of (a) Five Million Dollars ($5,000,000) for each of the following Option Targets: CD47, [***] and (b) [***] (for [***] (each, an "**Option Purchase Fee**"). Such payments will be non-refundable and non-creditable and not subject to set-off.

10.4. Regional Option Exercise Fee. On a Regional Option-by-Regional Option basis, no later than [***] after receipt of an invoice from Surface, which invoice shall be substantially in the form of Exhibit L and issued by Surface promptly following the date of the Option Exercise Notice for each Regional Option, as applicable, Novartis will pay to Surface an exercise fee of (a) [***] where the Regional Option Target is [***] CD47, [***] and (b) [***] where the Regional Option Target is [***] Such payments will be non-refundable and non-creditable and not subject to set-off.

10.5. Global Option Exercise Fee. On a Global Option Target-by-Global Option Target basis, no later than [***] after receipt of an invoice from Surface, which invoice shall be substantially in the form of Exhibit L and issued by Surface promptly following date of the Option Exercise Notice for each Global Option, as applicable, Novartis will pay to Surface to an exercise fee of (a) [***] where the Global Option Target is [***] CD47, [***] and (b) [***] where the Global Option Target is [***] Such payments will be non-refundable and non-creditable and not subject to set-off.

10.6. Development Costs for Regional Targets.

10.6.1. For each Regional Target, commencing upon the first Calendar Quarter immediately following the approval of the first RLP Development Plan and continuing thereafter so long as a Party incurs Development Costs under this Agreement for which reconciliation will be provided, Surface and Novartis will, within [***] of such Calendar Quarter submit to a finance officer designated by Surface and a finance officer designated by Novartis (the "**Finance Officers**") a report setting forth the Development Costs it incurred in such Calendar Quarter with respect to Regional Antibody Candidates and Regional Licensed Products for each Regional Target as approved by the JDC. Each such report will specify in reasonable detail all such costs, and, if requested by Surface or Novartis, any such invoices or other supporting documentation for any payments to a Third Party or with respect to which documentation is otherwise reasonably requested will be promptly provided. Within [***] after receipt of such reports, the Finance Officers will confer and agree in writing on whether a reconciliation payment is due from Surface to Novartis or Novartis to Surface, and if so, the amount of such reconciliation payment, so that Surface and Novartis share Development Costs in accordance with Section 5.2.4. Surface or Novartis, as applicable, if required to pay such reconciliation payment, will submit such payment to Novartis or Surface, respectively, as applicable, within [***] of receipt of the other Party's invoice for such amount; [***] In addition, each Party will consider in good faith other reasonable procedures proposed by the other Party for sharing financial information in order to permit each Party to close its books periodically in a timely manner.

10.6.2. Any expenses incurred by a Party for Development activities related to a Regional Antibody Candidate or Regional Licensed Product that do not fall within the definitions of Development Costs (as the case may be) will be borne solely by such Party unless the JDC determines otherwise. In addition, any expenditure or cost that exceeds the amount set forth in the RLP Development Plan (as applicable) by more than [***] for a Calendar Year or any unbudgeted cost that is incurred by either Party will be borne by such Party; provided that the JDC will have the discretion to review such expenditures or costs and propose that they be designated as Development Costs in accordance with Section 5.2.3.2 (as the case may be).

10.7. Development and Regulatory Milestone Payments. Subject to Section 10.7.4, on a Licensed Target-by-Licensed Target basis, Novartis will make one-time milestone payments to Surface (each, a "**Developmental Milestone Payment**") upon the first achievement of the development and regulatory milestone events set forth in this Section 10.7 (each, a "**Developmental Milestone Event**") with respect to a Licensed Target as set forth in the applicable table below for T1 Licensed Products, Global Licensed Products or Regional Licensed Products, as applicable. For clarity, and without limitation, references to Licensed Product include a Combination. Notwithstanding any other provision of this Agreement, each series of Development Milestone Payments will be payable only once with respect to the specified Licensed Target, notwithstanding the number of Licensed Products (or the number of times a Licensed Product) may achieve the applicable Development Milestone Event.

10.7.1. *T1 Licensed Products.* Novartis will make the following Developmental Milestone Payments to Surface upon the first achievement of the corresponding Developmental Milestone Event for the T1 Target:

Developmental Milestone Event	Developmental Milestone Payment
Initiation of the first GLP Toxicology Study for a T1 Licensed Product	$30,000,000 (Thirty Million Dollars)
[***]	[***]

10.7.2. *Global Licensed Products*. Novartis will, on a Global Target-by-Global Target basis, make the following Developmental Milestone Payments to Surface upon the first achievement of the corresponding Developmental Milestone Event for a Global Target:

Developmental Milestone Event	Developmental Milestone Payment
[***]	[***]

10.7.3. *Regional Licensed Products*. Novartis will, on a Regional Target-by-Regional Target basis, make the following Developmental Milestone Payments to Surface upon the first achievement of the corresponding Developmental Milestone Event for a Regional Target:

Developmental Milestone Event	Developmental Milestone Payment
[***]	[***]

10.7.3.1. *Additional Development Milestone Terms*. Notwithstanding the foregoing, for the purpose of construing the Development Milestone Payments specified in the above tables:

10.7.3.1. For clarity, each Development Milestone Payment shall be payable only on the first occurrence of the applicable Development Milestone Event for the Licensed Target, and none of the Development Milestone Payments shall be payable more than once with respect to a Licensed Target; [***]

10.7.3.2. If Development of a Licensed Product is terminated after it achieves a Development Milestone Event, then the corresponding Development Milestone Payment will not be due on any subsequent achievement of the same Development Milestone Event by a subsequent Licensed Product for such Licensed Target.

10.7.3.3. [***]

10.7.3.4. Milestone Payments for Regulatory Approval in the EU [***]

10.7.4. *Payment Terms for Development Milestone Payments*. Novartis shall provide Surface with written notice of its achievement of each Development Milestone Event within [***] after such Development Milestone Event is achieved by Novartis. After receipt of such notice, Surface shall submit an invoice to Novartis substantially in the form of Exhibit L for the corresponding Development Milestone Payment. Novartis shall make the corresponding Development Milestone Payment within [***] after receipt of such invoice.

10.8. **Sales Milestone Payments**. Subject to Section 10.8.4, on a Licensed Target-by-Licensed Target basis, Novartis will make one-time payments of each of the sales milestone payments indicated below (each, a "**Sales Milestone Payment**" and together with the Developmental Milestone Payments, the "**Milestone Payments**") to Surface when aggregate Annual Net Sales of all Licensed Products for such Licensed Target in the Territory in a given Calendar Year first reach the dollar values indicated on each table below for the applicable T1 Licensed Products, Global Licensed Products or Regional Licensed Products (each, a "**Sales Milestone Event**"). Notwithstanding any other provision of this Agreement, each series of Sales Milestone Payments will be payable only once with respect to the specified Licensed Target, notwithstanding the number of Licensed Products (or the number of times a Licensed Product) may achieve the applicable Sales Milestone Event.

10.8.1. *T1 Licensed Products*. Novartis will make the following Sales Milestone Payments to Surface upon achievement of the corresponding Sales Milestone Event for the T1 Licensed Products:

Annual Net Sales in a Given Calendar Year for all T1 Licensed Products	Sales Milestone Payment
[***]	[***]

10.8.2. *Global Licensed Products*. On a Global Target-by-Global Target basis, Novartis will make the following Sales Milestone Payments to Surface upon achievement of the corresponding Sales Milestone Event for all Global Licensed Products for such Global Target:

Annual Net Sales in a Given Calendar Year for all Global Licensed Products	Sales Milestone Payment
[***]	[***]

10.8.3. *Regional Licensed Products*. On a Regional Target-by-Regional Target basis, Novartis will make the following Sales Milestone Payments to Surface upon achievement of the corresponding Sales Milestone Event for all Regional Licensed Products for such Regional Target:

Annual Net Sales in the Novartis Territory in a Given Calendar Year for all Regional Licensed Products	Sales Milestone Payment
[***]	[***]

10.8.4. *Additional Sales Milestone Payment Terms*.

10.8.4.1. Each Sales Milestone shall be payable only once per Licensed Target, the first time worldwide Annual Net Sales for all Licensed Products in a Calendar Year for such Licensed Target exceeds the relevant threshold set forth above.

10.8.4.2. The Sales Milestone Payments in this Section 10.8 are [***]

10.8.5. Each Sales Milestone Payment shall be deemed earned upon achievement of the corresponding Sales Milestone, and shall be notified by Novartis to Surface within [***] after [***] After receipt of such notice, Surface shall submit an invoice to Novartis substantially in the form of Exhibit L for the corresponding Sales Milestone Payment. Novartis shall make the corresponding Sales Milestone Payment within [***] after receipt of such invoice.

10.9. Royalties. During the applicable Royalty Term and subject to Section 10.10, Novartis will make royalty payments to Surface, on a Licensed Product-by-Licensed Product basis, based on Annual Net Sales of the applicable Licensed Product within the Field in the Novartis Territory by Novartis and its Related Parties at the applicable rates set forth below.

10.9.1. *T1 Licensed Products*. Novartis will pay to Surface royalties on a T1 Licensed Product-by-T1 Licensed Product basis on Annual Net Sales for each T1 Licensed Product at the royalty rates ("**T1 Royalty Rates**") set forth below (the "**T1 Net Sales Royalty**").

Annual Net Sales	Royalty Rate Paid on the Portion of Annual Net Sales in the United States	Royalty Rate Paid on the Portion of Annual Net Sales outside the United States
[***]	[***]	[***]

The applicable T1 Net Sales Royalty will be calculated by reference to the worldwide Annual Net Sales of each T1 Licensed Product. See Exhibit M for an example of such calculation.

10.9.2. *Global Licensed Products*. Novartis will pay to Surface royalties on a Global Licensed Product-by-Global Licensed Product basis on Annual Net Sales for each Global Licensed Product at the royalty rates ("**Global Royalty Rates**") set forth below (the "**Global Net Sales Royalty**").

Annual Net Sales	Royalty Rate Paid on the Portion of Annual Net Sales in the United States	Royalty Rate Paid on the Portion of Annual Net Sales outside the United States
[***]	[***]	[***]

The applicable Global Net Sales Royalty will be calculated by reference to the worldwide Annual Net Sales of each Global Licensed Product. See Exhibit M for an example of such calculation.

10.9.3. *Regional Licensed Products*.

10.9.3.1. Novartis will pay to Surface royalties on a Regional Licensed Product-by-Regional Licensed Product basis on Annual Net Sales for each Regional Licensed Product in the Novartis Territory at the royalty rates (the "**Novartis Regional Royalty Rates**") set forth below (the "**Novartis Regional Net Sales Royalty**").

Annual Net Sales	Royalty Rate
[***]	[***]

The applicable Novartis Regional Net Sales Royalty will be calculated by reference to the Annual Net Sales of each Regional Licensed Product in the Novartis Territory. See Exhibit M for an example of such calculation.

10.9.3.2. Surface will pay to Novartis royalties on a Regional Licensed Product-by-Regional Licensed Product basis on Annual Net Sales for each Regional Licensed Product in the Surface Territory at the royalty rates (the "**Surface Regional Royalty Rates**," and together with the Novartis Regional Royalty Rates, the "**Regional Royalty Rates**") set forth below (the "**Surface Regional Net Sales Royalty**," and together with the Novartis Regional Net Sales Royalty, the "**Regional Net Sales Royalty**").

Annual Net Sales	Royalty Rate
[***]	[***]

The applicable Surface Regional Net Sales Royalty will be calculated by reference to the Annual Net Sales of each Regional Licensed Product in the Surface Territory. See Exhibit M for an example of such calculation.

10.9.4. *Combinations*. Notwithstanding the foregoing, royalties on any Combinations will be calculated in accordance with Exhibit A-1.

10.10. Additional Royalty Terms.

10.10.1. *Royalty Term*. Subject to this Section 10.10, on a Licensed Product-by-Licensed Product and country-by-country basis, the royalties due under Section 10.9 will be payable on Annual Net Sales from the First Commercial Sale of a particular Licensed Product in a country until the later of (a) expiration of the last Valid Claim of Royalty Patents Covering such Licensed Product in such country, or (b) fifteen (15) years after First Commercial Sale of such Licensed Product in such country (the "**Royalty Term**").

10.10.2. *Royalty Reduction upon Patent Expiration*. If royalties are payable in a particular country under Section 10.9 on Annual Net Sales of a particular Licensed Product during the Royalty Term but after the expiration of the last Valid Claim of Royalty Patents Covering such Licensed Product in such country, then the royalties payable on Annual Net Sales of such Licensed Product in such country will be calculated as set forth in Section 10.9, provided that the royalties payable on Annual Net Sales of such Licensed Product in such country will be reduced by [***] as of the date that such Licensed Product is no longer Covered by a Valid Claim of Royalty Patents in such country. The royalty rate tier applicable to the Annual Net Sales of such Licensed Product in such country will be applied *pro rata* on a Calendar Quarter-by-Calendar Quarter basis, with reference to the aggregate worldwide Annual Net Sales

of all Licensed Products with respect to the applicable Licensed Target. See Exhibit M for an example of such calculation.

10.10.3. *Reduction for Third Party Obligations*.

10.10.3.1. In the event that Novartis determines that intellectual property owned or controlled by a Third Party would be infringed or misappropriated by the [***] of any Licensed Product in the Field in the Novartis Territory under this Agreement, Novartis shall have the right to negotiate and acquire rights to such intellectual property through a license or otherwise (including pursuant to any settlement agreement) and to deduct from [***] on such Licensed Product due to Surface with respect to a given Calendar Quarter [***] by Novartis to such Third Party with respect to such Licensed Product, subject to the limitation set forth in Section 10.10.6. [***]

10.10.3.2. In the event that Surface determines that intellectual property owned or controlled by a Third Party would be infringed or misappropriated by the [***] any Regional Licensed Product in the Field in the Surface Territory under this Agreement, Surface shall have the right to negotiate and acquire rights to such intellectual property through a license or otherwise (including pursuant to any settlement agreement) and to deduct from [***] on such Regional Licensed Product due to Novartis with respect to a given Calendar Quarter [***] by Surface to such Third Party with respect to such Regional Licensed Product, subject to the limitation set forth in Section 10.10.6. [***]

10.10.4. *Only One Royalty*. Only one royalty will be due with respect to the sale of the same unit of Licensed Product. Only one royalty will be due hereunder on the sale of a Licensed Product even if the manufacture, use, sale, offer for sale or importation of such Licensed Product infringes more than one claim of the Royalty Patents.

10.10.5. *Reduction for Biosimilar Competition*. Notwithstanding the foregoing, on a country-by-country basis, in the event of Loss of Market Exclusivity with respect to a Licensed Product in a country, the applicable Royalty Rates for Annual Net Sales of such Licensed Product set forth in Section 10.9 will be reduced by [***]

10.10.6. *Royalty Minimum*. Notwithstanding the foregoing in this Section 10.10, in no event will the [***] otherwise due to a Party in a Calendar Quarter be reduced by more than [***] of the amount that would otherwise be due hereunder; and provided further that any such reduction not fully taken as a result of the application of this Section 10.10.6, may be carried forward and applied against future [***] otherwise owed.

10.11. Other Amounts Payable. With respect to any amounts owed under this Agreement by one Party to the other for which no other invoicing and payment procedure is specified in this Section 10 (which amounts may include, for example, Manufacturing Costs pursuant to Section 8 and Third Party Payments that are the responsibility of one Party or the other pursuant to Section 9.5), within [***] after the end of each Calendar Quarter, each Party will provide an invoice, together with reasonable supporting documentation, to the other Party for such amounts owed in respect of such Calendar Quarter. The owing Party will pay any undisputed amounts within [***] of receipt of the invoice, and any disputed amounts owed by a Party will be paid within [***] of resolution of the dispute.

10.12. <u>Payment Terms</u>.

10.12.1. *Manner of Payment*. All payments to be made by a Party hereunder will be made in Dollars by wire transfer to such bank account as the other Party may designate.

10.12.2. *Reports and Royalty Payments*. For as long as royalties are due under Section 10.9, to the extent a Party owes royalties to the other Party hereunder, such paying Party will furnish to the other Party a written report, within [***] after the end of each Calendar Quarter, showing in Dollars, the amount of Annual Net Sales of Licensed Products and royalty due for such Calendar Quarter. Upon receipt of such written report, the receiving Party shall issue an invoice to the paying Party. Royalty payments for each Calendar Quarter will be due within [***] of receipt of such written invoice for the Calendar Quarter. The report will include, at a minimum, the following information for the applicable Calendar Quarter, each listed by product and by country of sale: [***] such reports will be treated as Confidential Information of Novartis or Surface, as applicable.

10.12.3. *Records and Audits*. Each Party shall keep complete, true and accurate books and records in accordance with its Accounting Standards in relation to this Agreement, including in relation to Development Costs and Net Sales and royalties. Each Party will keep such books and records for at least [***] following the Calendar Year to which they pertain. Each Party (the "**Auditing Party**") may, upon written request, cause an internationally-recognized independent accounting firm (the "**Auditor**"), which is reasonably acceptable to the other Party (the "**Audited Party**"), to inspect the relevant records of such Audited Party and its Affiliates to verify the payments

made by the Audited Party and the related reports, statements and books of accounts, as applicable. Before beginning its audit, the Auditor shall execute an undertaking acceptable to the Audited Party by which the Auditor agrees to keep confidential all information reviewed during the audit. The Auditor shall have the right to disclose to Auditing Party only its conclusions regarding any payments owed under this Agreement. Each Party and its Affiliates shall make their records available for inspection by the Auditor during regular business hours at such place or places where such records are customarily kept, upon receipt of reasonable advance notice from the Auditing Partner. The records shall be reviewed solely to verify the accuracy of the Audited Party' royalties and other payment obligations and compliance with the financial terms of this Agreement. Such inspection right shall not be exercised more than [***] in any [***] and not more frequently than [***] with respect to records covering any specific period of time. In addition, Auditing Party shall only be entitled to audit the books and records of Audited Party from the [***] prior to the Calendar Year in which the audit request is made. The Auditing Party agrees to hold in strict confidence all information received and all information learned in the course of any audit or inspection, except to the extent necessary to enforce its rights under this Agreement or to the extent required to comply with any law, regulation or judicial order. The Auditor shall provide its audit report and basis for any determination to Audited Party at the time such report is provided to the Auditing Party before it is considered final. In the event that the final result of the inspection reveals an undisputed underpayment or overpayment by either Party, the underpaid or overpaid amount shall be settled promptly. The Auditing Party shall pay for such inspections, as well as its expenses associated with enforcing its rights with respect to any payments hereunder. In addition, if an underpayment of more than [***] of the total payments due hereunder for the applicable year is discovered, the fees and expenses charged by the Auditor shall be paid by Audited Party.

10.12.4. *Currency Exchange*. With respect to Annual Net Sales invoiced in Dollars, the Annual Net Sales and the amounts due to Surface hereunder will be expressed in Dollars. When conversion of payments from any foreign currency is required to be undertaken by Novartis, the Dollar equivalent shall be calculated using Novartis' then-current standard exchange rate methodology as applied in its external reporting for the conversion of foreign currency sales into Dollars.

10.12.5. *Taxes*.

10.12.5.1. Novartis may withhold from payments due to Surface amounts for payment of any withholding tax that is required by Law to be paid to any taxing authority with respect to such payments. Novartis will provide Surface all relevant documents and correspondence, and will also provide to Surface any other cooperation or assistance on a reasonable basis as may be necessary to enable Surface to claim exemption from such withholding taxes and to receive a refund of such withholding tax or claim a foreign tax credit. Novartis will give proper evidence from time to time as to the payment of any such tax. The Parties will cooperate with each other in seeking deductions under any double taxation or other similar treaty or agreement from time to time in force. Such cooperation may include Novartis making payments from a single source in the U.S., where possible. Notwithstanding the foregoing, if Novartis assigns its rights and obligations hereunder to, or otherwise causes payments to be made to Surface by, an Affiliate or Third Party outside the United States pursuant to Section 16.1 or uses intellectual property described herein outside of the United States, and if Novartis or such Affiliate or Third Party is required by applicable Law to withhold any additional taxes from or in respect of any amount payable under this Agreement as a result of such assignment, then any such amount payable under this Agreement shall be increased to take into account the additional taxes withheld as may be necessary so that, after making all required withholdings (including withholdings on the withheld amounts), Surface receives an amount equal to the sum it would have received had no such withholding been made, provided, however, that that Novartis will have no obligation to pay any additional amount to the extent that the withholding tax would not have been imposed but for (a) the failure by Surface to take advantage of an otherwise available exemption from or reduction in the rate of withholding tax under any applicable income tax convention between the United States and the jurisdiction in which such Affiliate or Third Party is domiciled, or (b) the assignment by Surface of its rights under this Agreement or any redomiciliation of Surface outside of the United States. Notwithstanding the foregoing, if Novartis has an obligation to pay additional amounts to account for withholding taxes, it will be entitled to a full amount of any foreign tax credit attributable to Surface if and when realized in cash by Surface as a result of such payment.

10.12.5.2. Surface may withhold from payments due to Novartis amounts for payment of any withholding tax that is required by Law to be paid to any taxing authority with respect to such payments. Surface will provide Novartis all relevant documents and correspondence, and will also provide to Novartis any other cooperation or assistance on a reasonable basis as may be necessary to enable Novartis to claim exemption from such withholding taxes and to

receive a refund of such withholding tax or claim a foreign tax credit. Surface will give proper evidence from time to time as to the payment of any such tax. The Parties will cooperate with each other in seeking deductions under any double taxation or other similar treaty or agreement from time to time in force. Such cooperation may include Surface making payments from a single source in the U.S., where possible. Notwithstanding the foregoing, if Surface assigns its rights and obligations hereunder to, or otherwise causes payments to be made to Novartis by, an Affiliate or Third Party outside the United States pursuant to Section 16.1 or uses intellectual property described herein outside of the United States, and if Surface or such Affiliate or Third Party is required by applicable Law to withhold any additional taxes from or in respect of any amount payable under this Agreement as a result of such assignment, then any such amount payable under this Agreement shall be increased to take into account the additional taxes withheld as may be necessary so that, after making all required withholdings (including withholdings on the withheld amounts), Novartis receives an amount equal to the sum it would have received had no such withholding been made, provided, however, that that Surface will have no obligation to pay any additional amount to the extent that the withholding tax would not have been imposed but for (a) the failure by Novartis to take advantage of an otherwise available exemption from or reduction in the rate of withholding tax under any applicable income tax convention between the United States and the jurisdiction in which such Affiliate or Third Party is domiciled, or (b) the assignment by Novartis of its rights under this Agreement or any redomiciliation of Novartis outside of the United States. Notwithstanding the foregoing, if Surface has an obligation to pay additional amounts to account for withholding taxes, it will be entitled to a full amount of any foreign tax credit attributable to Novartis if and when realized in cash by Novartis as a result of such payment.

10.12.5.3. Apart from any such permitted withholding and those deductions expressly included in the definition of Net Sales, the amounts payable hereunder will not be reduced on account of any taxes, charges, duties or other levies.

10.12.6. *Blocked Payments*. In the event that, by reason of applicable Law in any country, it becomes impossible or illegal for a Party to transfer, or have transferred on its behalf, payments owed the other Party hereunder, such Party will promptly notify the other Party of the conditions preventing such transfer and such payments will be deposited in local currency in the relevant country to the credit of the other Party in a recognized banking institution designated by the other Party or, if none is designated by the other Party within a period of [***], in a recognized banking institution selected by the transferring Party, as the case may be, and identified in a written notice given to the other Party.

10.12.7. *Interest Due*. Each paying Party will pay the other Party interest on any undisputed payments that are not paid on or before the date such payments are due under this Agreement at a rate of [***] or the maximum applicable legal rate, if less, calculated on the total number of days payment is delinquent.

10.13. **Mutual Convenience**. The royalty and other payment obligations set forth hereunder have been agreed to by the Parties for the purpose of reflecting and advancing their mutual convenience, including the ease of calculating and paying royalties and other amounts to each Party.

11. CONFIDENTIALITY AND PUBLICATION

11.1. **Nondisclosure Obligation**.

11.1.1. All Confidential Information disclosed by one Party to the other Party under this Agreement will be maintained in confidence by the receiving Party and will not be disclosed to a Third Party or used for any purpose except to exercise its licenses and other rights, to perform its obligations, or as otherwise set forth herein, without the prior written consent of the disclosing Party, except to the extent that such Confidential Information:

(a) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by the receiving Party's business records;

(b) is known to the public before its receipt from the disclosing Party, or thereafter becomes generally known to the public through no breach of this Agreement by the receiving Party;

(c) is subsequently disclosed to the receiving Party by a Third Party who is not known by the receiving Party to be under an obligation of confidentiality to the disclosing Party; or

(d) is developed by the receiving Party independently of Confidential Information received from the disclosing Party, as documented by the receiving Party's business records.

Specific aspects or details of Confidential Information will not be deemed to be within the public domain or in the possession of the recipient Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the recipient Party. Further, any combination of Confidential Information will not be considered in the public domain or in the possession of the recipient Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the recipient Party unless the combination and its principles are in the public domain or in the possession of the recipient Party.

11.1.2. Notwithstanding the obligations of confidentiality and non-use set forth above and in Section 11.1.3. below, a receiving Party may provide Confidential Information disclosed to it, and disclose the existence and terms of this Agreement or the as may be reasonably required in order to perform its obligations and to exploit its licenses and other rights under this Agreement, and specifically to (a) Related Parties, and their employees, directors, agents, consultants, or advisors to the extent necessary for the potential or actual performance of its obligations or exercise of its licenses and other rights under this Agreement in each case who are under an obligation of confidentiality with respect to such information that is no less stringent than the terms of this Section 11.1; (b) governmental or other Regulatory Authorities in order to obtain patents or perform its obligations or exploit its rights under this Agreement, provided that such Confidential Information will be disclosed only to the extent reasonably necessary to do so, and where permitted, subject to confidential treatment; (d) the extent required by Law, including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States or of any stock exchange or listing entity (including as a result of an initial public offering by Surface); [***] and (e) to Third Parties to the extent a Party is required to do so pursuant to the terms of an In-License. If a Party is required by Law to disclose Confidential Information of the other Party that is subject to the non-disclosure provisions of this Section 11.1, such Party will promptly inform the other Party of the disclosure that is being sought in order to provide the other Party an opportunity to challenge or limit the disclosure. Notwithstanding Section 11.1.1, Confidential Information that is permitted or required to be disclosed will remain otherwise subject to the confidentiality and non-use provisions of this Section 11.1.[***]

11.2. Publication and Publicity.

11.2.1. *Publication*. Except for disclosures permitted pursuant to Section 11.1 and 11.2.2, either Party wishing to make a publication or public presentation that contains the Confidential Information of the other Party or any results of Research and Development activities under the Collaboration will deliver to the other Party a copy of the proposed written publication or presentation at least [***] prior to submission for publication or presentation. The reviewing Party will have the right (a) to propose modifications to the publication or presentation for patent reasons or trade secret reasons or to remove Confidential Information of the reviewing Party or its Related Parties, and the publishing Party will remove all Confidential Information of the other Party if requested by the reviewing Party and otherwise reflect such Party's reasonable comments into consideration, or (b) to request a reasonable delay in publication or presentation in order to protect patentable information. If the reviewing Party requests a delay, the publishing Party will delay submission or presentation for a period of [***] (or such shorter period as may be mutually agreed by the Parties) to enable the non-publishing Party to file patent applications protecting such Party's rights in such information. [***] Notwithstanding the foregoing, in no event will Surface, its Affiliates or Sublicensees make a publication or public presentation with respect to any T1 Target, T1 Antibody Candidate, T1 Licensed Product, Global Target, Global Antibody Candidate or Global Licensed Product without the prior written consent of Novartis. Further, neither Party will submit or publish any article or other publication to or with any scientific journal or other publisher that requires, as a condition of publication, that the submitting Party agree to make available to the publisher or Third Parties any Antibodies or other Materials which are the subject of the publication.

11.2.2. *Publicity*. Except as set forth in Section 11.1, 11.2.1 and 11.3, the terms of this Agreement may not be disclosed by either Party, and neither Party will use the name, Trademark, trade name or logo of the other Party or its employees in any publicity, news release or disclosure relating to this Agreement, its subject matter, or the activities of the Parties hereunder without the prior express written permission of the other Party except (a) as may be required by applicable Law, including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in any country other than the United States or of any stock exchange or listing entity, provided that the Party issuing such press release gives reasonable notice prior to use of such name, Trademark, trade name or logo of the other Party, and otherwise complies with Section 11.1.2, or (b) as expressly permitted by the terms hereof.

11.3. *Press Release*.

11.3.1. Except as provided in Section 11.3.2, neither Party will issue a press release or public announcement relating to this Agreement without the prior written approval of the other Party (such approval not to be unreasonably withheld, conditioned or delayed), except that a Party may (a) once a press release or other public statement is approved in writing by both Parties, make subsequent public disclosure of the information contained in such press release or other written statement without the further approval of the other Party, and (b) issue a press release or public announcement as required by applicable Law (including a press release corresponding to any securities disclosure, such as pursuant to a Form 8-K), including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States or of any stock exchange or listing entity, provided that the Party issuing such press release gives reasonable prior notice to the other Party of and the opportunity to comment on the press release or public announcement, and otherwise complies with this Section 11. In addition, Surface may with Novartis' prior written approval, such approval not to be unreasonably withheld, conditioned or delayed, issue a press release regarding (x) the exercise of any Option, or (y) the payment or receipt of any milestone payments under this Agreement with respect to any Licensed Products, provided, that (i) such press release does not identify the Antibody Candidate or Licensed Target; and (ii) otherwise complies with this Section 11.

11.3.2. Notwithstanding anything in this Section 11.3 to the contrary, (a) either Party may issue a press release or make a public disclosure relating to such Party's Development, Manufacturing or Commercialization activities under this Agreement with respect to Regional Licensed Products in such Party's Territory; and (b) Novartis may issue a press release or make a public disclosure relating to the Research, Development, Manufacturing or Commercialization activities under this Agreement with respect to the T1 Target, T1 Antibody Candidates, T1 Licensed Products, Global Targets, Global Antibody Candidates and Global Licensed Products, provided that such press release or public disclosure does not disclose Confidential Information of the other Party. Prior to making any such disclosure under clause (a) of this Section 11.3.2, however, the Party making the disclosure will provide the other Party with a draft of such proposed disclosure within a reasonable time (but at least [***] prior to disclosure for the other Party's review and comment, and the disclosing Party will consider in good faith any timely comments provided by the other Party.

12. REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1. **Mutual Representations and Warranties as of the Effective Date**. Each Party represents and warrants to the other Party that, as of the Effective Date:

12.1.1. such Party is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation;

12.1.2. such Party has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations under this Agreement;

12.1.3. all requisite corporate action on the part of such Party, its directors and stockholders required by applicable Law for the authorization, execution and delivery by such Party of this Agreement, and the performance of all obligations of such Party under this Agreement, has been taken;

12.1.4. the execution, delivery and performance of this Agreement, and compliance with the provisions of this Agreement, by such Party do not and will not: (a) violate any provision of applicable Law or any ruling, writ, injunction, order, permit, judgment or decree of any Governmental Authority, (b) constitute a breach of, or default under (or an event which, with notice or lapse of time or both, would become a default under) or conflict with, or give rise to any right of termination, cancellation or acceleration of, any agreement, arrangement or instrument, whether written or oral, by which such Party or any of its assets are bound, or (c) violate or conflict with any of the provisions of such Party's organizational documents (including any articles or memoranda of organization or association, charter, bylaws or similar documents; and

12.1.5. no consent, approval, authorization or other order of, or filing with, or notice to, any Governmental Authority or other Third Party is required to be obtained or made by such Party in connection with the authorization, execution and delivery by the Company of this Agreement, except as required pursuant to the HSR Act.

12.2. Representations and Warranties by Surface. Surface represents and warrants to Novartis as of the Effective Date that:

12.2.1. Schedule 12.2.1 sets forth a complete and accurate list of (a) all Surface Patents in existence as of the Effective Date, indicating the owner; and (b) all license, assignment, distribution or other agreements in existence as of the Effective Date relating to the Surface Technology, including all Existing Surface In-Licenses;

12.2.2. Except as set forth on Schedule 12.2.2, to Surface's knowledge, the Surface Technology in existence as of the Effective Date comprises all of the intellectual property rights used by or on behalf of Surface and its Affiliates in the Research, Development and Manufacturing of the Antibody Candidates and Licensed Products as of the Effective Date;

12.2.3. Except as set forth on Schedule 12.2.3, Surface (a) owns or has a valid license to, or has a valid option to license, all Surface Technology in existence as of the Effective Date, including those Antibody Candidates and Licensed Products in existence as of the Effective Date; and (b) has the right, or an option to obtain the right, and authority to (i) grant to Novartis and its Related Parties, the licenses under the Surface Technology in existence as of the Effective Date hereunder; and (ii) use, disclose, and commercially exploit, and to enable Novartis and its Related Parties to use, disclose, and commercially exploit (in each case under appropriate conditions of confidentiality) the Surface Technology in existence as of the Effective Date in the Field;

12.2.4. Surface has not granted its Affiliates or any Third Party, including any academic organization or agency, rights that would otherwise interfere or be inconsistent with Novartis' rights hereunder, and there are no agreements or arrangements other than as set forth on Schedule 12.2.4 to which Surface or any of its Affiliates is a party relating to Surface Technology, Antibody Candidates, or Licensed Product(s), that would (a) limit the rights granted to Novartis under this Agreement or (b) that restrict or result in a restriction on Novartis' ability to Research, Develop, Manufacture, use or Commercialize the Antibody Candidates and Licensed Product(s) in the Novartis Territory, in accordance with this Agreement;

12.2.5. with respect to any Surface Technology owned by Surface, (a) Surface and its Affiliates have obtained from all individuals who participated in any respect in the invention or authorship thereof, effective assignments of all ownership rights of such individuals in such Surface Technology, either pursuant to written agreement or by operation of law; and (b) all of its employees, officers, and consultants have executed agreements or have existing obligations under applicable Law requiring assignment to Surface or its Affiliate, as applicable, of all inventions made during the course of and as the result of the Collaboration; and, no officer or employee of Surface or its Affiliate is subject to any agreement with any other Third Party that requires such officer or employee to assign any interest in any Surface Technology to any Third Party;

12.2.6. all employees, officers, and consultants of Surface and its Affiliates have executed agreements or have existing obligations under applicable Law and obligating the individual to maintain as confidential Surface's Confidential Information as well as confidential information of other parties (including of Novartis and its Affiliates) that such individual may receive in the conduct of the Collaboration, to the extent required to support Surface's obligations under this Agreement; and Surface and its Affiliates have taken all reasonable precautions to preserve the confidentiality of the Surface Know-How;

12.2.7. Except as set forth on Schedule 12.2.7, to Surface's knowledge, no sequence or any portion thereof of any Antibody Candidate including has been publicly disclosed or provided or otherwise made available to any Third Parties, including to any academic institutions or journals;

12.2.8. to Surface's knowledge, Research, Development, Manufacture, use or Commercialization of the Antibody Candidates and Licensed Products in the Field as proposed with this Agreement do not infringe or misappropriate the intellectual property rights of any Third Party, nor has Surface or any Affiliate received, any written notice alleging such infringement or misappropriation;

12.2.9. Neither Surface nor any Affiliate has initiated or been involved in any proceedings or other claims in which such Person alleges that any Third Party is or was infringing or misappropriating any Surface Technology, nor have any such proceedings been threatened by Surface or its Affiliates, nor does Surface or its Affiliates know of any valid basis for any such proceedings;

12.2.10. Neither Surface nor its Affiliates have entered into a government funding relationship that would result in rights to any Antibody Candidate or Licensed Product residing in the US Government, National Institutes of Health,

National Institute for Drug Abuse or other agency, and the licenses granted hereunder are not subject to overriding obligations to the US Government as set forth in Public Law 96 517 (35 U.S.C. 200 204), as amended, or any similar obligations under the laws of any other country;

12.2.11. to the knowledge of Surface, (a) the issued patents in the Surface Patents as of the Effective Date are valid and enforceable without any claims, challenges, oppositions, nullity actions, interferences, inter-partes reexaminations, inter-partes reviews, post-grant reviews, derivation proceedings, or other proceedings pending or threatened and Surface has filed and prosecuted patent applications within the Surface Patents owned by Surface in good faith and complied with all duties of disclosure with respect thereto; (b) Surface has not committed any act, or omitted to commit any act, that may cause the Surface Patents to expire prematurely or be declared invalid or unenforceable; and (c) all application, registration, maintenance and renewal fees in respect of the Surface Patents as of the Effective Date have been paid and all necessary documents and certificates have been filed with the relevant agencies for the purpose of maintaining the Surface Patents; and

12.2.12. Surface is its own "ultimate parent entity," as that term is defined in 16 C.F.R.§ 801.1(a)(3) and as determined in compliance with 16 C.F.R. §§ 801.1 and 801.12, and is not engaged in "manufacturing" as that term is defined in 16 C.F.R. § 801.1(j). Surface does not have "total assets" equal to or greater than Fifteen Million, Three Hundred Thousand Dollars ($15,300,000), and Surface does not have "annual net sales" equal to or greater than One Hundred and Fifty-Two Million, Five Hundred Thousand Dollars ($152,500,000), in both cases, as determined in compliance with 16 C.F.R.§ 801.11 and used in Section 7A(a)(2)(B) of the Clayton Act, 15 U.S.C.§ 18A.

12.3. Warranty Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY WITH RESPECT TO ANY PATENTS, KNOW-HOW, MATERIALS, ANTIBODY CANDIDATE, LICENSED PRODUCT, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY AND ALL OF THE FOREGOING. EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE RESEARCH, DEVELOPMENT, MANUFACTURE OR COMMERCIALIZATION OF ANY ANTIBODY CANDIDATE OR LICENSED PRODUCT PURSUANT TO THIS AGREEMENT WILL BE SUCCESSFUL.

12.4. Certain Covenants.

12.4.1. *Compliance*. Each Party and its Related Parties will conduct the Collaboration and the Development, Manufacture and Commercialization of the Licensed Products in accordance with all applicable Laws, including governmental regulations concerning cGLP, cGCP and cGMP. In addition, if either Party is or becomes subject to a legal obligation to a Regulatory Authority or other Governmental Authority (such as a corporate integrity agreement or settlement agreement with a Governmental Authority), then the other Party will perform such activities as may be reasonably requested by the obligated Party to enable the obligated Party to comply with its legal obligation to such Regulatory Authority with respect to the Licensed Products.

12.4.2. *Conflicting Transactions*. During the Term, Surface will not, and will cause its Affiliates not to, enter into any agreement granting a license or other right under the Surface Technology that is inconsistent with this Agreement. During the Term, Novartis will not, and will cause its Affiliates not to, enter into any agreement granting a license or other right under the Novartis Technology that is inconsistent with this Agreement.

12.4.3. *In-Licenses*. Each Party will use Commercially Reasonable Efforts to maintain Control of all Patents, and Know-How licensed to such Party under the In-Licenses to which such Party is the contracting party. Each Party will use Commercially Reasonable Efforts not to materially breach or be in material default under any of its obligations under any In-License to which such Party is the contracting party that would be necessary or useful for the other Party to Research, Develop, Manufacture and Commercialize any Antibody Candidates or Licensed Products in the Field in such Party's Territory pursuant to this Agreement. Each Party will not terminate any In-License to which such Party is the contracting party in a manner that would terminate rights that are sublicensed to the other Party. In the event that a Party receives notice of an alleged breach by such Party under an In-License to which it is a party and for which termination of such In-License is being sought by the counterparty, then such Party will promptly, but in no event less than [***] thereafter, provide written notice thereof to the other Party and grant the other Party the right (but not the obligation) to cure such alleged breach. In the event that a Party intends to materially amend an In-License to which it is a party, then such Party will promptly, but in no event less than [***]

before, provide written notice thereof to the other Party and grant the other Party the right (but not the obligation), acting reasonably, to reject any amendment that would either increase the receiving Party's obligations under this Agreement, including any financial obligations or decrease the receiving Party's rights under this Agreement.

12.4.4. *Surface In-Licenses*. Surface will [***]

12.4.5. *No Debarment*. Each Party will use Commercially Reasonable Efforts to not use, in any capacity in connection with the Collaboration or the performance of its obligations under the Collaboration Agreement, any Person that has been debarred pursuant to Section 306 of the FD&C Act, as amended, or that is the subject of a conviction described in such section. Each Party agrees to inform the other Party in writing immediately if it or any Person that is performing activities in the Collaboration or under the Collaboration Agreement, is debarred or is subject to debarment or is the subject of a conviction described in Section 306 of the FD&C Act, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to the best of the notifying Party's knowledge, is threatened, relating to the debarment or conviction of the notifying Party or any Person or entity used in any capacity by such Party or any of its Affiliates in connection with the Collaboration or the performance of its other obligations under the Collaboration Agreement.

12.4.6. Novartis represents and warrants as of the Effective Date that it has determined in accordance with 16 C.F.R. Parts §801.10 and §801.13 that the value of the assets and voting securities of Surface as identified in accordance with the HSR Act rules including 16 C.F.R. §801.13, §801.14 and §801.15, that Novartis will acquire and hold as of the Effective Date is less than [***]

12.5. Exclusivity.

12.5.1. *Exclusivity*.

12.5.1.1. During the Exclusivity Period for an Option Target, Surface will not, alone or with any Affiliates or Third Parties, [***]

12.5.1.2. During the Exclusivity Period for an Option Target, Novartis will not, alone or with any Affiliates or Third Parties, [***]

12.5.1.3. During the Exclusivity Period for a Licensed Target, Surface will not, alone or with any Affiliates or Third Parties, [***]

12.5.1.4. During the Exclusivity Period for a Licensed Target, Novartis will not, alone or with any Affiliates or Third Parties, [***]

12.5.1.5. The Parties hereby acknowledge and agree that (I) each Party's obligations under this Section 12.5.1 will not apply to (A) any Research, Development, Manufacture or Commercialization of any molecule (including any Antibodies) that [***] and (B) any activities intended by either Party to ensure their compliance with this Section 12.5.1 (e.g., counter-screening), (II) this Section 12.5.1 will apply to any Antibody that is intended to [***]; and (III) each Party retains (A) the right to Research (but not Develop or Commercialize), and, subject to the terms and conditions of this Agreement, have others Research on its behalf, T1 Antibody Candidates, Option Target Antibody Candidates, Regional Antibody Candidates, Global Antibody Candidates or Licensed Products outside of the applicable Research Plan, (B) the right, solely to the extent reasonably necessary for any such Research, to Manufacture, or subject to the terms and conditions of this Agreement, have others Manufacture on its behalf, T1 Antibody Candidates, Option Target Antibody Candidates, Regional Antibody Candidates, Global Antibody Candidates or Licensed Products outside of the applicable Research Plan; and (C) the rights under the license grants in Section 9; provided further [***]

12.5.1.6. [***]

12.5.2. *Other Programs*.

12.5.2.1. *Surface*.

(a) Notwithstanding Section 12.5.1, in the event that Surface or its Affiliates acquire a Third Party or a portion of the business of a Third Party (whether by merger, stock purchase, purchase of assets, in-license or other means) (a "**Third Party Acquisition**") that is, prior to such acquisition, conducting a research, development or commercialization program that, if conducted by Surface at such time, would be a breach of Surface's exclusivity obligation in Section 12.5.1 (a "**Surface Competing Program**"), Surface will use commercially reasonable efforts

to divest such Surface Competing Program promptly following the closing of such acquisition, and in any event will complete such divestment within [***] after the closing of such acquisition, provided that (i) such [***] period will be extended if, at the expiration of such time period, Surface provides competent evidence of reasonable on-going efforts to divest such Surface Competing Program, (ii) Surface may conduct the Surface Competing Program independently of Surface's activities under this Agreement during such time period and without any use of any Restricted Technology, and (iii) Surface will cease all research, development and commercialization activities with respect to such Surface Competing Program if Surface has not completed such divestment within [***] after the closing of such acquisition (it being understood that Surface may thereafter continue its efforts to divest such asset). Surface will not be deemed in breach of Section 12.5.1 with respect to such Surface Competing Program so long as Surface complies with the terms of this Section 12.5.2.1.

(b) In the event of a Change of Control of Surface, the exclusivity obligations of Surface set forth in Section 12.5.1 will apply to and bind the Third Party referred to in the definition of Change of Control and its Affiliates subject to the following provisions:
(i) [***]

(ii)[***]

(c) With respect to Sections 12.5.2.1(a), 12.5.2.1(b) and 12.5.2.1(c), Surface and its Affiliates (including such Third Party and its Affiliates under Sections 12.5.2.1(b) and 12.5.2.1(c)) will adopt reasonable procedures (which include appropriate administrative, physical and technical safeguards, including underlying operating system and network security controls and other firewalls) to prevent the use of any Restricted Technology in a manner that is in violation of this Agreement.

12.5.2.2. *Novartis*.

(a) Notwithstanding Section 12.5.1, in the event that Novartis or its Affiliates make a Third Party Acquisition where the applicable Third Party or portion of such Third Party's business, prior to such acquisition, conducting a research, development or commercialization program that, if conducted by Novartis at such time, would be a breach of Novartis's exclusivity obligation in Section 12.5.1 (a "**Novartis Competing Program**"), Novartis will use Commercially Reasonable Efforts to divest such Novartis Competing Program promptly following the closing of such acquisition, unless Novartis has exercised its right to terminate this Agreement pursuant to Section 15.2 with respect to the target of the Novartis Competing Program, and in any event will complete such divestment within [***] after the closing of such acquisition, provided that (i) such [***] time period will be extended if, at the expiration of such time period (and any extensions thereto), Novartis provides competent evidence of reasonable on-going efforts to divest such Novartis Competing Program, (ii) Novartis may conduct the Novartis Competing Program independently of Novartis's activities under this Agreement during such time period and without any use of any Restricted Technology, and (iii) Novartis will cease all research, development and commercialization activities with respect to such Novartis Competing Program if Novartis has not completed such divestment within one (1) year after the closing of such acquisition (it being understood that Novartis may thereafter continue its efforts to divest such asset). Novartis will not be deemed in breach of Section 12.5.1 with respect to such Novartis Competing Program so long as Novartis complies with the terms of this Section 12.5.2.2.

(b) In the event of a Change of Control of Novartis, the exclusivity obligations of Novartis set forth in Section 12.5.1 will apply to and bind the Third Party referred to in the definition of Change of Control and its Affiliates subject to the following provisions:

(i) [***]

(ii) [***]

(c) With respect to Sections 12.5.2.2(a), 12.5.2.2(b) and 12.5.2.1(c), Novartis and its Affiliates (including such Third Party and its Affiliates under Sections 12.5.2.2(b) and 12.5.2.1(c)) will adopt reasonable procedures (which include appropriate administrative, physical and technical safeguards, including underlying operating system and network security controls and other firewalls) to prevent the use of any Restricted Technology in a manner that is in violation of this Agreement.

13. INDEMNIFICATION; LIMITATION OF LIABILITY; INSURANCE

13.1. General Indemnification by Novartis. Novartis will indemnify, hold harmless and defend Surface, its Related Parties, and their respective directors, officers, employees and agents ("**Surface Indemnitees**") from and against any and all Third Party claims, suits, losses, liabilities, damages, costs, fees and expenses (including reasonable attorneys' fees and litigation expenses) (collectively, "**Losses**") arising out of or resulting from, directly or indirectly, (a) any breach of, or inaccuracy in, any representation or warranty made by Novartis in this Agreement, or any breach or violation of any covenant or agreement of Novartis in or in the performance of this Agreement, (b) the negligence or willful misconduct by or of Novartis and its Related Parties, and their respective directors, officers, employees and agents in the performance of Novartis's obligations under this Agreement, or (c) to the extent such Losses arise out of the Research, Development, Manufacturing or Commercialization of Antibody Candidates or Licensed Products by or on behalf of Novartis or its Related Parties pursuant to this Agreement. Novartis will have no obligation to indemnify the Surface Indemnitees to the extent that the Losses arise out of or result from, directly or indirectly, any breach of, or inaccuracy in, any representation or warranty made by Surface in this Agreement, or any breach or violation of any covenant or agreement of Surface in, or in the performance of, this Agreement, or the negligence or willful misconduct by or of any of the Surface Indemnitees, or matters for which Surface is obligated to indemnify Novartis under Sections 13.2 or 13.3.

13.2. General Indemnification by Surface. Surface will indemnify, hold harmless, and defend Novartis, its Related Parties and their respective directors, officers, employees and agents ("**Novartis Indemnitees**") from and against any and all Losses arising out of or resulting from, directly or indirectly, (a) any breach of, or inaccuracy in, any representation or warranty made by Surface in this Agreement, or any breach or violation of any covenant or agreement of Surface in, or in the performance of, this Agreement, (b) the negligence or willful misconduct by or of Surface and its Related Parties, and their respective directors, officers, employees and agents in the performance of Surface's obligations under this Agreement, or (c) to the extent such Losses arise out of the Research, Development, Manufacturing or Commercialization of Antibody Candidates or Licensed Products by or on behalf of Surface and its Related Parties pursuant to this Agreement. Surface will have no obligation to indemnify the Novartis Indemnitees to the extent that the Losses arise out of or result from, directly or indirectly, any breach of, or inaccuracy in, any representation or warranty made by Novartis in this Agreement, or any breach or violation of any covenant or agreement of Novartis in or in the performance of this Agreement, or the negligence or willful misconduct by or of any of the Novartis Indemnitees, or matters for which Novartis is obligated to indemnify Surface under Sections 13.1 or 13.3.

13.3. Product Liability. Subject to any Supply Agreement, any Losses arising out of Third Party product liability claims arising from the Development, Manufacture or Commercialization of Licensed Products will be (a) borne by Novartis, to the extent such Losses arise out of (i) the Research, Manufacture or Commercialization in or for the Novartis Territory by or on behalf of Novartis or its Related Parties of a Regional Licensed Product, or (ii) a T1 Licensed Product or Global Licensed Product anywhere in or for the world by or on behalf of Novartis and its Related Parties, and (b) borne by Surface, to the extent such Losses arise out of the Research, Manufacture or Commercialization in or for the Surface Territory by or on behalf of Surface and its Related Parties of a Regional Licensed Product. Subject to any Supply Agreement, any Losses arising out of Third Party product liability claims arising from the Development of Regional Licensed Products will be treated as Development Costs in accordance with Section 5.2.4; provided that (x) with respect to any Additional Development Activities, the Proposing Party will be solely responsible for any such liability claims unless and until the Non-Proposing Party delivers an Additional Development Opt-In Notice with respect to such Additional Development Activity; (y) after Surface exercises its Opt-Out Right, Surface will remain responsible for its portion of any such liability claims with respect to Development activities occurring up to and through the [***] period following Novartis' receipt of Surface's Opt-Out Notice; and (z) after termination of this Agreement with respect to any Licensed Target by Novartis pursuant to Section 15.2 or by Surface pursuant to Section 15.3.1.1 or 15.4, (i) Novartis will remain responsible for its portion of any such liability claims with respect to any ongoing Clinical Studies that Surface elects to wind down under Section 15.5.1(b) until such wind-down process is complete, and (ii) Surface will be responsible for any liability claims with respect to any ongoing Clinical Studies that Surface elects to continue. The Party bearing such Losses in accordance with the immediately preceding two sentences will indemnify, hold harmless and defend the other Party and its Related Parties and their respective directors, officers, employees and agents from and against such Losses.

13.4. Indemnification Procedure. The Party entitled to indemnification under Section 13 (an "**Indemnified Party**") shall notify the Party potentially responsible for such indemnification (the "**Indemnifying Party**") in writing promptly upon being notified of or actual knowledge of any claim or claims asserted or threatened against the Indemnified Party which could give rise to a right of indemnification under this Agreement; provided, that the

failure to give such notice shall not relieve the Indemnifying Party of its indemnity obligation hereunder except to the extent that such failure materially prejudices the Indemnifying Party. If the Indemnifying Party has acknowledged in writing to the Indemnified Party the Indemnifying Party's responsibility for defending a claim, the Indemnifying Party shall have the right to defend, at its sole cost and expense, such claim by all appropriate proceedings; provided, that the Indemnifying Party may not enter into any compromise or settlement unless (i) such compromise or settlement imposes only a monetary obligation on the Indemnifying Party and which includes as an unconditional term thereof, the giving by each claimant or plaintiff to the Indemnified Party of a release from all liability in respect of such claim; or (ii) the Indemnified Party consents to such compromise or settlement, which consent shall not be unreasonably withheld, conditioned or delayed unless such compromise or settlement involves (A) any admission of legal wrongdoing by the Indemnified Party, (B) any payment by the Indemnified Party that is not indemnified hereunder or (C) the imposition of any equitable relief against the Indemnified Party. If the Indemnifying Party does not elect to assume control of the defense of a claim or if a good faith and diligent defense, in the Indemnified Party's reasonable opinion, is not being or ceases to be materially conducted by the Indemnifying Party, the Indemnified Party shall have the right, at the expense of the Indemnifying Party, upon at least [***] prior written notice to the Indemnifying Party of its intent to do so, to undertake the defense of such claim for the account of the Indemnifying Party (with counsel reasonably selected by the Indemnified Party and approved by the Indemnifying Party, such approval not to be unreasonably withheld, conditioned or delayed); provided that the Indemnified Party shall keep the Indemnifying Party apprised of all material developments with respect to such claim. The Indemnified Party may not enter into any compromise or settlement without the prior written consent of the Indemnifying Party, such consent not to be unreasonably withheld, conditioned or delayed. The Indemnified Party will cooperate with the Indemnifying Party and may participate in, but not control, any defense or settlement of any claim controlled by the Indemnifying Party pursuant to this Section 13.4 and shall bear its own costs and expenses with respect to such participation; provided that the Indemnifying Party shall bear such costs and expenses if counsel for the Indemnifying Party shall have reasonably determined that such counsel may not properly represent both the Indemnifying Party and the Indemnified Party.

13.5. Limitation of Liability. NEITHER PARTY HERETO WILL BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT, OR THE EXERCISE OF ITS RIGHTS OR THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER, INCLUDING LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES, EXCEPT AS A RESULT OF [***] NOTHING IN THIS SECTION 13.5 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY.

13.6. Insurance. Commencing not later than the Initiation of the first Phase 1 Study under this Agreement, each Party will obtain and maintain insurance during the Term and for a period of at least [***] after the last commercial sale of any Licensed Product generated under the Collaboration for which it is responsible, with a reputable, solvent insurer in an amount appropriate for its business and products of the type that are the subject of this Agreement, and for its obligations under this Agreement. Specifically, each Party will maintain product liability insurance and clinical trial liability insurance with limits of at least [***] per occurrence and in annual aggregate. Upon request, each Party will provide the other Party with evidence of the existence and maintenance of such insurance coverage. Notwithstanding the foregoing, in the case of Novartis, and, in the case of Surface (whether or not after a Change of Control of Surface), after such time that Surface and its Affiliates have sales within one of the top [***] pharmaceutical companies by global sales, such obligation may be satisfied by a program of self-insurance.

13.7. Disclaimer. The Parties each acknowledge and agree, that (a) Research, Development, and Commercialization is inherently uncertain, (b) no outcome or success of any Antibody Candidates or Licensed Products is or can be assured and (c) failure to achieve Development and Commercialization of Licensed Products will not in and of itself constitute a breach or default of any obligation in this Agreement.

14. INTELLECTUAL PROPERTY

14.1. Inventorship.

14.1.1. Inventorship for inventions and discoveries (including Know-How) first made during the course of the performance of activities pursuant to the Collaboration will be determined in accordance with United States patent Laws for determining inventorship.

14.1.2. Notwithstanding anything to the contrary in this Agreement, each Party will have the right to invoke the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. § 103(c)(2)-(c)(3) (the "**CREATE Act**") when exercising its rights under this Agreement, but with respect to any Other Patents, only with the prior written consent of Surface in its sole discretion, and with respect to any Patents within Novartis Technology, only with the prior written consent of Novartis in its sole discretion. In the event that a Party intends to invoke the CREATE Act, once agreed to by the other Party if required by the preceding sentence, it will notify the other Party and the other Party will cooperate and coordinate its activities with such Party with respect to any filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in the CREATE Act.

14.2. Ownership. Surface will own the entire right, title and interest in and to all Know-How (and Patents claiming inventions therein) first developed or conceived solely by employee(s), agent(s) or consultant(s) of Surface or its Affiliates in the conduct of the Collaboration. Novartis will own the entire right, title and interest in and to all Know-How (and Patents claiming inventions therein) first developed or conceived solely by employee(s), agent(s) or consultant(s) of Novartis or its Affiliates in the conduct of the Collaboration. The Parties will jointly own the entire right, title and interest in and to all Know-How (and Patents claiming inventions therein) first developed or conceived jointly by employee(s), agent(s) or consultant(s) acting on behalf of Surface or its Affiliates, on the one hand, and employee(s), agent(s) or consultant(s) acting on behalf of Novartis or its Affiliates, on the other hand, in the conduct of the Collaboration.

14.3. Prosecution and Maintenance of Patents.

14.3.1. *IP Committee*.

14.3.1.1. *Composition*. The IP Committee will be comprised of at least [***] representative who is an employee of each Party. Each Party will appoint its respective representatives to the IP Committee within [***] of the Effective Date, and from time to time, may substitute one or more of its representatives, in its sole discretion, effective upon notice to the other Party of such change. All IP Committee representatives will have appropriate expertise, seniority, decision-making authority and ongoing familiarity with the Collaboration and each Party's representatives collectively will have relevant expertise in intellectual property portfolio management and licensing matters. Additional representatives or consultants may from time to time, by mutual consent of the Parties, be invited to attend IP Committee meetings, subject to such representatives and consultants (or the representative's or consultant's employer) undertaking confidentiality obligations, whether in a written agreement or by operation of law, no less stringent than the requirements of Section 11.1.

14.3.1.2. *Meetings*. The IP Committee will meet as necessary to carry out its duties under Section 14.3.1.3, but no more often than once per Calendar Quarter, unless otherwise agreed by its members. The IP Committee will meet in-person at Surface or Novartis or, alternatively, by means of teleconference, videoconference or other similar communications equipment.

14.3.1.3. *IP Committee Responsibilities*. The IP Committee will provide input regarding the following with respect to Licensed Products:

(a) strategies for Prosecuting and Maintaining Patents within the Novartis Technology and the Surface Technology; and

(b) such other matters as the Parties agree in writing will be the responsibility of the IP Committee.

14.3.1.4. *Decision-Making*. [***]

14.3.1.5. *Term*. Either Party will have the right to terminate the IP Committee upon [***] advance written notice to the other Party. Notwithstanding the foregoing, on a Regional Licensed Product-by-Regional Licensed Product basis during the Term for such Regional Licensed Product, Surface will have the right (but not the obligation) to continue to participate in the IP Committee in relation to any such Licensed Product until the fifteenth (15th) anniversary of the First Commercial Sale of such Regional Licensed Product in the Novartis Territory.

14.3.2. *Novartis Technology*.

14.3.2.1. *General.* Subject to remainder of this Section 14.3.2, as between the Parties, Novartis will have the sole responsibility to, at Novartis's sole discretion, and sole responsibility for all applicable Patents Costs, to Prosecute and Maintain all Patents within Novartis Technology (other than within Joint Collaboration IP), in Novartis's name.

Novartis will consult with Surface, including through the IP Committee, on its strategy for the Prosecution and Maintenance of all such Patents. Novartis will furnish Surface, via electronic mail or such other method as mutually agreed by the Parties, copies of substantive proposed filings and documents received from outside counsel in the course of Prosecuting and Maintaining such Patents, or copies of substantive documents filed with the relevant patent offices with respect to such Patents, and such other documents related to the Prosecution and Maintenance of such Patents, and as applicable in sufficient time prior to filing such document or making any payment due thereunder to allow for review and comment by Surface and will consider in good faith timely comments from Surface thereon. Novartis will furnish Surface, via electronic mail or such other method as mutually agreed by the Parties, copies of documents filed with the relevant national patent offices or other Governmental Authorities with respect to such Patents.

14.3.2.2. *Regional Licensed Products in the Surface Territory and Novartis Technology*. In the event that Novartis elects not to Prosecute and Maintain (or continue to Prosecute and Maintain, including filing a Patent claiming priority to a Patent prior to its issuance), any Patent within the Novartis Technology (other than within Joint Collaboration IP) in the Surface Territory that Covers the sale, offer for sale, manufacture, use or import of any Regional Licensed Product, Novartis will notify Surface at least [***] before any such Patent would become abandoned, no longer available or otherwise forfeited, and subject to the provisions of any applicable Novartis In-License, Surface will have the right (but not the obligation), at Surface's sole discretion, and sole responsibility for all applicable Patent Costs, to Prosecute and Maintain in the Surface Territory such Patent in the name of Novartis (which right will include the right to file additional Patents claiming priority to such Patent). Surface will consult with Novartis, including through the IP Committee, on its strategy for the Prosecution and Maintenance of all such Patents. Surface will furnish Novartis, via electronic mail or such other method as mutually agreed by the Parties, copies of substantive proposed filings and documents received from outside counsel in the course of Prosecuting and Maintaining such Patents, or copies of documents filed with the relevant patent offices with respect to such Patents, and such other substantive documents related to the Prosecution and Maintenance of such Patents, and as applicable in sufficient time prior to filing such document or making any payment due thereunder to allow for review and comment by Novartis and will consider in good faith timely comments from Novartis thereon. Surface will furnish Novartis, via electronic mail or such other method as mutually agreed by the Parties, copies of documents filed with the relevant national patent offices or other Governmental Authorities with respect to such Patents. Novartis will use Commercially Reasonable Efforts to make available to Surface its authorized attorneys, agents or representatives, or such of its employees as are reasonably necessary to assist Surface in exercising its rights described under this Section 14.3.2.2. Novartis will sign, or will use Commercially Reasonable Efforts to have signed, all legal documents as are reasonably necessary to Prosecute and Maintain such Patents.

14.3.2.3. *T1 Licensed Products and Global Licensed Products Worldwide, and Regional Licensed Products in the Novartis Territory, and Novartis Technology*. In the event that Novartis elects not to Prosecute and Maintain (or continue to Prosecute and Maintain, including filing a Patent claiming priority to a Patent prior to its issuance), any Patent within the Novartis Technology (other than within Joint Collaboration IP) in the Novartis Territory that Covers the sale, offer for sale, manufacture, use or import of any T1 Licensed Product, Global Licensed Product or Regional Licensed Product (where, for clarity, the applicable territory is worldwide for any T1 Licensed Product or Global Licensed Product, and worldwide minus the Surface Territory for any Regional Licensed Product), Novartis will notify Surface at least [***] before any such Patent would become abandoned, no longer available or otherwise forfeited, whereupon at the written request of Surface

the Parties will meet to discuss any such decision by Novartis. Subject to Novartis's consent, and subject to the provisions of any applicable Novartis In-License, Surface will have the right (but not the obligation), at Surface's sole discretion, and sole responsibility for all applicable Patent Costs, to Prosecute and Maintain such Patent in the applicable territory described above in the name of Novartis (which right will include the right to file additional Patents claiming priority to such Patent). Surface will consult with Novartis, including through the IP Committee, on its strategy for the Prosecution and Maintenance of all such Patents. Surface will furnish Novartis, via electronic

mail or such other method as mutually agreed by the Parties, copies of substantive proposed filings and documents received from outside counsel in the course of Prosecuting and Maintaining such Patents, or copies of documents filed with the relevant patent offices or other Governmental Authorities with respect to such Patents, and such other substantive documents related to the Prosecution and Maintenance of such Patents, and as applicable in sufficient time prior to filing such document or making any payment due thereunder to allow for review and comment by Novartis and will consider in good faith timely comments from Novartis thereon. Surface will furnish Novartis, via electronic mail or such other method as mutually agreed by the Parties, copies of documents filed with the relevant national patent offices or other Governmental Authorities with respect to such Patents. Novartis will use Commercially Reasonable Efforts to make available to Surface its authorized attorneys, agents or representatives, or such of its employees as are reasonably necessary to assist Surface in exercising its rights described under this Section 14.3.2.3. Novartis will sign, or will use Commercially Reasonable Efforts to have signed, all legal documents as are reasonably necessary to Prosecute and Maintain such Patents.

14.3.3. *Surface Technology*.

14.3.3.1. *General.* Subject to remainder of this Section 14.3.3, as between the Parties, Surface will have the sole responsibility to, at Surface's sole discretion, and sole responsibility for all applicable Patents Costs, to Prosecute and Maintain all Patents within Surface Technology (other than within Joint Collaboration IP or Prosecution Patents) ("**Other Patents**"), in Surface's name. Surface will consult with Novartis, including through the IP Committee, on its strategy for the Prosecution and Maintenance of all such Other Patents. Surface will furnish Novartis, via electronic mail or such other method as mutually agreed by the Parties, copies of substantive proposed filings and documents received from outside counsel in the course of Prosecuting and Maintaining such Other Patents, or copies of documents filed with the relevant patent offices or other Governmental Authorities with respect to such Other Patents, and such other substantive documents related to the Prosecution and Maintenance of such Other Patents, and as applicable in sufficient time prior to filing such document or making any payment due thereunder to allow for review and comment by Novartis and will consider in good faith timely comments from Novartis thereon. Surface will furnish Novartis, via electronic mail or such other method as mutually agreed by the Parties, copies of documents filed with the relevant national patent offices or other Governmental Authorities with respect to such Other Patents.

14.3.3.2. *Licensed Products in the Surface Territory and Novartis Territory and Surface Technology*. In the event that Surface elects not to Prosecute and Maintain (or continue to Prosecute and Maintain, including filing a Patent claiming priority to a Patent prior to its issuance), any Other Patent that Covers the sale, offer for sale, manufacture, use or import of any Licensed Product, Surface will notify Novartis at least [***] before any such Other Patent would become abandoned, no longer available or otherwise forfeited, whereupon at the written request of Novartis the Parties will meet to discuss any such decision by Surface. Subject to Surface's consent, and subject to the provisions of any applicable Surface In-License, Novartis will have the right (but not the obligation), at Novartis's sole discretion, and sole responsibility for all applicable Patents Costs, to Prosecute and Maintain in the Surface Territory such Other Patent in the name of Surface (which right will include the right to file additional Patents claiming priority to such Other Patent). Novartis will consult with Surface, including through the IP Committee, on its strategy for the Prosecution and Maintenance of all such Other Patents. Novartis will furnish Surface, via electronic mail or such other method as mutually agreed by the Parties, copies of substantive proposed filings and documents received from outside counsel in the course of Prosecuting and Maintaining such Other Patents, or copies of documents filed with the relevant patent offices or Governmental Authorities with respect to such Other Patents, and such other substantive documents related to the Prosecution and Maintenance of such Other Patents, and as applicable in sufficient time prior to filing such document or making any payment due thereunder to allow for review and comment by Surface and will consider in good faith timely comments from Surface thereon. Novartis will furnish Surface, via electronic mail or such other method as mutually agreed by the Parties, copies of documents filed with the relevant national patent offices or other Governmental Authorities with respect to such Other Patents. Surface will use Commercially Reasonable Efforts to make available to Novartis its authorized attorneys, agents or representatives, or such of its employees as are reasonably necessary to assist Novartis in exercising its rights described under this Section 14.3.3.2. Surface will sign, or will use Commercially Reasonable Efforts to have signed, all legal documents as are reasonably necessary to Prosecute and Maintain such Other Patents.

14.3.4. *Joint Collaboration IP and Prosecution Patents*.

14.3.4.1. Subject to remainder of this Section 14.3.4, as between the Parties, Novartis will have the right (but not the obligation), at Novartis's sole discretion, and sole responsibility for all applicable Patents Costs, to Prosecute and Maintain all Patents (a) within Joint Collaboration IP, in the names of both Novartis and Surface; and (b) all Prosecution Patents in the name of Surface. Novartis will consult with Surface, including through the IP Committee, on its strategy for the Prosecution and Maintenance of all such Patents within Joint Collaboration IP and Prosecution Patents. Novartis will furnish Surface, via electronic mail or such other method as mutually agreed by the Parties, copies of substantive proposed filings and documents received from outside counsel in the course of Prosecuting and Maintaining such Patents within Joint Collaboration IP and Prosecution Patents, or copies of documents filed with the relevant patent offices or other Governmental Authorities with respect to such Patents within Joint Collaboration IP and Prosecution Patents, and such other substantive documents related to the Prosecution and Maintenance of such Patents within Joint Collaboration IP and Prosecution Patents, and as applicable in sufficient time prior to filing such document or making any payment due thereunder to allow for review and comment by Surface and will consider in good faith timely comments from Surface thereon. Novartis will furnish Surface, via electronic mail or such other method as mutually agreed by the Parties, copies of documents filed with the relevant national patent offices or other Governmental Authorities with respect to such Patents within Joint Collaboration IP and Prosecution Patents.

14.3.4.2. In the event that Novartis elects not to Prosecute and Maintain (or continue to Prosecute and Maintain, including filing a Patent claiming priority to a Patent prior to its issuance), any Patent within Joint Collaboration IP or any Prosecution Patent anywhere in the world, Novartis will notify Surface at least [***] before any such Patent within Joint Collaboration IP and Prosecution Patent would become abandoned, no longer available or otherwise forfeited, Surface will have the right (but not the obligation), at Surface's sole discretion, and sole responsibility for all applicable Patents Costs, to Prosecute and Maintain such Patent worldwide (a) within Joint Collaboration IP in the names of both Novartis and Surface and (b) within Prosecution Patent in the name of Surface only. Surface will consult with Novartis, including through the IP Committee, on its strategy for the Prosecution and Maintenance of all such Patents within Joint Collaboration IP and Prosecution Patents. Surface will furnish Novartis, via electronic mail or such other method as mutually agreed by the Parties, copies of substantive proposed filings and documents received from outside counsel in the course of Prosecuting and Maintaining such Patents within Joint Collaboration IP and Prosecution Patents, or copies of documents filed with the relevant patent offices or other Governmental Authorities with respect to such Patents within Joint Collaboration IP and Prosecution Patents, and such other substantive documents related to the Prosecution and Maintenance of such Patents, and as applicable in sufficient time prior to filing such document or making any payment due thereunder to allow for review and comment by Novartis and will consider in good faith timely comments from Novartis thereon. Surface will furnish Novartis, via electronic mail or such other method as mutually agreed by the Parties, copies of documents filed with the relevant national patent offices or other Governmental Authorities with respect to such Patents within Joint Collaboration IP and Prosecution Patents.

14.3.4.3. Each Party will use Commercially Reasonable Efforts to make available to the other its authorized attorneys, agents or representatives, or such of its employees as are reasonably necessary to assist the other Party in exercising its rights described under this Section 14.3.4. Each Party will sign, or will use Commercially Reasonable Efforts to have signed, all legal documents as are reasonably necessary to Prosecute and Maintain Patents within Joint Collaboration IP and Prosecution Patents.

14.3.5. *Patent Miscellaneous*. Each Party hereby agrees: (a) to use Commercially Reasonable Efforts to make its employees, agents and consultants reasonably available to the other Party (or to the other Party's authorized attorneys, agents or representatives), to the extent reasonably necessary to enable such Party to undertake any Prosecution and Maintenance described herein; and (b) to reasonably cooperate in any such Prosecution and Maintenance by the other Party.

14.4. <u>Third Party Infringement and Defense</u>.

14.4.1. *Notices*. Each Party will promptly report in writing to the other Party of any Competitive Infringement of which such Party (or any of its Affiliates or Sublicensees) becomes aware, and will provide the other Party with all available evidence of such Competitive Infringement in such Party's Control. Subject to the terms of this Section 14.4, the JSC will discuss in good faith strategies for abating such Competitive Infringement of any Regional Licensed Product within each of the Party's respective Territory.

14.4.2. *Rights to Enforce*.

14.4.2.1. *Competitive (Novartis) Infringement*. As between the Parties, Novartis will have the exclusive right (but not the obligation), at Novartis's sole discretion, through counsel of its choosing which is reasonably acceptable to Surface, to seek to abate any Competitive (Novartis) Infringement by enforcing any Patents within Surface Technology exclusively (even as to Surface) licensed to Novartis hereunder or any Novartis Technology. If Novartis does not take steps to abate such Competitive (Novartis) Infringement, within [***] after receipt of written notice of such Competitive (Novartis) Infringement (or such shorter period of time as is required to comply with the provisions of Section 14.4.2.3 or any other applicable Law in the United States or any other country in the Territory to not waive any statutory rights). Novartis will provide Surface with notice of such decision. Novartis will pay all Patent Costs incurred by Novartis for such enforcement.

14.4.2.2. *Competitive (Surface) Infringement*. As between the Parties, Surface will have the exclusive right (but not the obligation), at Surface's sole discretion, through counsel of its choosing which is reasonably acceptable to Novartis, to seek to abate any Competitive (Surface) Infringement by enforcing any Patents within Novartis Technology exclusively (even as to Novartis) licensed to Surface hereunder or any Surface Technology. If Surface does not take steps to abate such Competitive (Surface) Infringement, within [***] after receipt of written notice of such Competitive (Surface) Infringement (or such shorter period of time as is required to comply with the provisions of Section 14.4.2.3 or any other applicable Law in the United States or any other country in the Territory to not waive any statutory rights), Surface will provide Novartis will notice of such decision. Surface will pay all Patent Costs incurred by such Surface for such enforcement.

14.4.2.3. *Biosimilar Application*. Notwithstanding Sections 14.4.2.1 or 14.4.2.2, if either Party (or any of their Related Parties) receives a copy of a Biosimilar Application naming a Licensed Product as a reference product or otherwise becomes aware that such a Biosimilar Application has been filed (such as in an instance described in Section 351(1)(9)(C) of the PHSA), such Party will promptly notify the other Party. If either Party receives any equivalent or similar certification or notice in the United States or any other jurisdiction, either Party will, promptly, notify and provide the other Party copies of such communication. Regardless of the Party that is the "reference product sponsor" for purposes of such Biosimilar Application:

(a) The Party with the enforcement rights under Sections 14.4.2.1 or 14.4.2.2 (the "**Lead Party**" for the remainder of this Section 14.4.2.3) will designate pursuant to Section 351(l)(1)(B)(ii) of the PHSA the outside counsel and in-house counsel who will receive confidential access to the Biosimilar Application. The Lead Party will pay all Patent Costs incurred by such Party for such enforcement under this Section 14.4.2.3.

(b) The Lead Party will have the right, after consulting with the other Party, to list any Patents for which the enforcement rights in Sections 14.4.2.1 and 14.4.2.2 are applicable, insofar as they meet the statutory requirements pursuant to Section 351(l)(1)(3)(A), Section 351(l)(5)(b)(i)(II), or Section 351(l)(7) of the PHSA, to respond to any communications with respect to such lists from the filer of the Biosimilar Application, and to negotiate with the filer of the Biosimilar Application as to whether to utilize a different mechanism for information exchange other than that specified in Section 351(l) of the PHSA.

(c) The Lead Party will have the right, after consulting with the other Party, to identify Patents for which the enforcement rights in Sections 14.4.2.1 and 14.4.2.2 are applicable, or respond to relevant communications under any equivalent or similar listing to those described in the preceding Section 14.4.2.3(b) in any other jurisdiction outside of the United States. If required pursuant to applicable Law, upon the Lead Party's request, the other Party will assist in the preparation of such list and make such response after consulting with the Lead Party.

(d) The other Party will (1) within [***] after the Lead Party's written request, provide to the Lead Party all information, including a list of Patents Controlled by such other Party and for which the enforcement rights in Sections 14.4.2.1 and 14.4.2.2 are applicable, that is necessary or reasonably useful to enable the Lead Party to make any lists or communications with respect to such Patents that are described in the foregoing Sections 14.4.2.3(b) or 14.4.2.3(c), and (2) cooperate with the Lead Party's reasonable requests in connection therewith to the extent required or not prohibited by applicable Law. The Lead Party will consult with the other Party prior to identifying any Patents controlled by such other Party as contemplated by this Section 14.4.2.3. The Lead Party will consider in good faith advice and suggestions with respect thereto received from the other Party, and will notify the other Party of any such lists or communications promptly after they are made.

(e) The Parties recognize that procedures other than those set forth above in this Section 14.4.2.3 may be applicable to Biosimilar Applications that are not governed by the PHSA. As a result, in the event that the Parties acting in

good faith mutually determine that certain provisions of Law in the United States or in any other country in the Territory are applicable to actions taken by the Parties with respect to Biosimilar Applications under this Section 14.4.2.3 in such country, the Parties will comply with any such applicable Law in such country (and any relevant and reasonable procedures established by the) in exercising their rights and obligations with respect to Biosimilar Applications under this Section 14.4.2.3.

14.4.3. *Defense*. As between the Parties, the Party controlling the Prosecution and Maintenance of any Patent under Section 14.3 (i.e., initially, Novartis for Patents contained in Novartis Technology and Joint Collaboration IP and Prosecution Patents and Surface for Other Patents), will have the right (but not the obligation), at its sole discretion, to defend against a declaratory judgment action or other action challenging any such Patent, other than with respect to (a) any counter-claims in any enforcement action brought by the other Party pursuant to Section 14.4.2 or (b) any action by a Third Party in response to an enforcement action brought by the other Party, which in both cases ((a) and (b)) will be controlled by such other Party. If the Party controlling such Prosecution and Maintenance of Patents under Section 14.3 does not defend such Patent under this Section 14.4.3 within [***] (or such shorter period of time as is required to comply with the provisions of Section 14.4.2.3 or any other applicable Law in the United States or any other country in the Territory to not waive any statutory rights), or elects not to continue any such defense (in which case it will promptly provide notice thereof to the other Party), then the other Party will have the right (but not the obligation), at its sole discretion, to defend any such Patent.

14.4.4. *Withdrawal, Cooperation and Participation*. With respect to any infringement or defensive action identified above in this Section 14.4 and subject to the terms of this Section:

14.4.4.1. If the controlling Party ceases to pursue or withdraws from such action, it will promptly notify the other Party (in sufficient time to enable the other Party to meet any deadlines by which any action must be taken to preserve any rights in such infringement or defensive action (including any such period of time as is required to comply with the provisions of Section 14.4.2.3)) and, if permitted under Sections 14.4.3, such other Party may substitute itself for the withdrawing Party and proceed under the terms and conditions of this Section 14.4.

14.4.4.2. The non-controlling Party will cooperate with the Party controlling any such action (as may be reasonably requested by the controlling Party), including, at the controlling Party's sole cost and expense, (1) providing access to relevant documents and other evidence, (2) using reasonable efforts to make its and its Affiliates and licensees and Sublicensees and all of their respective employees, subcontractors, consultants and agents available at reasonable business hours and for reasonable periods of time, but only to the extent relevant to such action, and (3) if reasonably necessary, by being joined as a party, subject for this clause (3) to the controlling Party agreeing to indemnify such non-controlling Party for its involvement as a named party in such action and paying those Patent Costs incurred by such non-controlling Party in connection with such joinder. The Party controlling any such action will keep the other Party reasonably updated with respect to any such action, including providing copies of all materials documents received or filed in connection with any such action.

14.4.4.3. Each Party will have the right to consult with the other Party regarding any such action controlled by such other Party, in each case at such first Party's sole cost and expense. If a Party elects to so be involved, the controlling Party will provide the other Party and its counsel with an opportunity to consult with the controlling Party and its counsel regarding the prosecution of such action (including reviewing the contents of any correspondence, legal papers or other documents related thereto), and the controlling Party will take into account reasonable and timely requests of the other Party regarding such enforcement or defense. Nothing in this Section 14.4.4.3 will limit the controlling Party's ability to prosecute any such action.

14.4.5. *Settlement*. With respect to any infringement or defensive action identified above in this Section 14.4, the Party controlling such action will have the right to settle or otherwise dispose of such action on such terms as such Party will determine in its sole discretion, including by granting a license or sublicense to a Third Party under the rights granted to such Party in Section 9; provided that, notwithstanding the foregoing, no such settlement or other disposition will (a) impose any monetary restriction or obligation on or admit fault of the other Party and (b) adversely affect the other Party's rights under this Agreement to any such Patent then being enforced or defended, in each case ((a) and (b) without the prior written consent of the other Party, not to be unreasonably withheld, delayed, or conditioned.)

14.4.6. *Damages*. [***]

14.5. Patent Extensions. For clarity, the Party controlling the Prosecution and Maintenance of any Patent under Section 14.3 (i.e., initially, Novartis for Patents contained in Novartis Technology and Joint Collaboration IP and Prosecution Patents and Surface for Other Patents), will have the right to elect and file for patent term restoration or extension, supplemental protection certificate or any of their equivalents with respect to such Patents with respect to any Licensed Product in their respective Territories; provided that with respect to any Other Patents (whether so controlled by Novartis or Surface) in the Novartis Territory for any Licensed Product, Novartis will have the right to make any such election or filing in any country or region, other than the United States or any other country or region where such election or filing would impair the ability to obtain any other restoration, extension, certificate or equivalent for the same Other Patent in such country or region. The Parties will cooperate and shall take the other Party's reasonable input into account in determining whether to obtain such patent term restoration, extension, supplemental protection certificate or equivalent thereof. Upon the request by a Party, such other Party will reasonably cooperate in the implementation of such requesting Party's decisions made in a manner with this Section 14.5.

14.6. Patent Listings. With respect to any filings made to Regulatory Authorities with respect to any Patents within the Novartis Technology or the Surface Technology for any Licensed Product within such Party's Territory, including as required or allowed in connection with in the United States, the FDA's Orange or Purple Book, if applicable, or outside the United States, other international equivalents, but subject to Section 14.4.2.3, (a) the Parties will list any such Patents as may be required by applicable Laws, and (b) otherwise (i) Novartis will have the sole right to make any such decision whether to list for Patents within the Collaboration IP or Joint Collaboration IP for the Novartis Territory and for any Licensed Product (other than any Regional Licensed Product in the Surface Territory); (ii) Surface will have the sole right to make any such decision whether to list for Patents within the Collaboration IP or Joint Collaboration IP for the Surface Territory for any Regional Licensed Product; and (iii) each Party will have the sole right to make any such decision whether to list for Patents otherwise within the Novartis Technology for Novartis or the Surface Technology for Surface with respect to any Licensed Product. Upon the request by a Party, such other Party will reasonably cooperate in the implementation of such requesting Party's decisions made in a manner with this Section 14.6.

14.7. Third Party Rights. Notwithstanding the foregoing provisions of this Section 14, each Party's rights and obligations with respect to any Patent under this Section 14 will be subject to the Third Party rights and obligations (including under any applicable In- License).

14.8. Common Interest. All information exchanged between the Parties regarding the Prosecution and Maintenance, and enforcement and defense, of the Patents under this Section 14 will be deemed Confidential Information of the disclosing Party. In addition, the Parties acknowledge and agree that, with regard to such Prosecution and Maintenance, and enforcement and defense, the interests of the Parties as collaborators and licensor and licensee are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The Parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Patents under this Section 14, including privilege under the common interest doctrine and similar or related doctrines. Notwithstanding anything to the contrary contained herein, to the extent a Party has a good faith believe that any information required to be disclosed by such Party to the other Party under this Section 14 is protected by attorney-client privilege or any other applicable legal privilege or immunity, such Party shall not be required to disclose such information and the Parties shall in good faith cooperate to agree upon a procedure (including entering into a specific common interest agreement, disclosing such information on a "for counsel eyes only" basis or similar procedure) under which such information may be disclosed without waiving or breaching such privilege or immunity.

14.9. Trademarks.

14.9.1. *T1 Licensed Products and Global Licensed Products*.

14.9.1.1. As between the Parties, Novartis has the sole and exclusive right to select and develop one or more Product Global Trademark(s) for use throughout the Novartis Territory for all T1 Licensed Products and Global Licensed Products. Such Product Global Trademark(s) may not include Trademarks owned or controlled by Surface. Novartis will own all rights to Product Global Trademarks and all goodwill associated therewith, throughout the Novartis Territory. Novartis will also own rights to any Internet domain names incorporating the applicable Product Global

Trademarks or any variation or part of such Product Global Trademarks used as its URL address or any part of such address.

14.9.1.2. In the event that Surface becomes aware of any infringement of any Product Global Trademark by a Third Party, Surface will promptly notify Novartis and the Parties will reasonably consult with each other and jointly determine the best way to prevent such infringement, including by the institution of legal proceedings against such Third Party; provided further that Novartis retains the sole right (but not obligation) to seek to abate any such infringement.

14.9.2. *Regional Licensed Products*.

14.9.2.1. Each Party has the right to use any Trademark it owns or controls for Regional Licensed Products in its Territory at its sole discretion, and each Party and its Affiliates will retain all right, title and interest in and to its and their respective corporate names and logos.

14.9.2.2. Pursuant to Section 6.2.5, each Party will develop and propose, and the JSC will review and comment on, one or more RLP Trademark(s) for use throughout the Novartis Territory and Surface Territory, as applicable. Such RLP Trademark(s) considered by the JSC may include, in each Party's sole discretion, the RLP Trademark(s) developed by the other Party with respect to the Commercialization of Regional Licensed Products in such Party's Territory, but may not include other Trademarks owned or controlled by the other Party. Any RLP Trademark(s) that are developed and used by Novartis to promote and sell Regional Licensed Products in the Novartis Territory are hereinafter referred to as the "**Novartis RLP Trademarks**". Any RLP Trademark(s) that are developed and used by Surface to promote and sell Regional Licensed Products in the Surface Territory are hereinafter referred to as the "**Surface RLP Trademarks**". As between the Parties, Surface will own all rights to Surface RLP Trademarks and all goodwill associated therewith, throughout the Surface Territory and, if Novartis chooses to use such Surface RLP Trademarks for the Regional Licensed Products in the Novartis Territory, the Novartis Territory. As between the Parties, Novartis will own all rights to Novartis RLP Trademarks and all goodwill associated therewith, throughout the Novartis Territory and, if Surface chooses to use such Novartis RLP Trademarks for the Regional Licensed Products in the Surface Territory, the Surface Territory. Surface will also own rights to any Internet domain names incorporating the applicable Surface RLP Trademarks or any variation or part of such Surface RLP Trademarks used as its URL address or any part of such address; and Novartis will also own rights to any Internet domain names incorporating the applicable Novartis RLP Trademarks or any variation or part of such Novartis RLP Trademarks used as its URL address or any part of such address.

14.9.2.3. If a Party determines to use the other Party's RLP Trademarks to promote and sell any Regional Licensed Product in its Territory, then Surface and Novartis will enter into a separate trademark license agreement containing commercially reasonable and customary terms pursuant to which the Party owning such RLP Trademark will grant the other Party an exclusive, royalty-free license to use the applicable RLP Trademark(s) to Commercialize Regional Licensed Products in the other Party's Territory.

14.9.2.4. In the event either Party becomes aware of any infringement of any RLP Trademark by a Third Party, such Party will promptly notify the other Party and the Parties will consult with each other and jointly determine the best way to prevent such infringement, including by the institution of legal proceedings against such Third Party; provided further that the Party owning such RLP Trademark retains the sole right (but not obligation) to seek to abate any such infringement.

14.9.3. *No Other Trademark Rights*. For the avoidance of doubt, neither Party will have any right to use the other Party's or the other Party's Affiliates' corporate names or logos in connection with Research, Development, Manufacturing and Commercialization of Regional Licensed Products.

15. TERM AND TERMINATION

15.1. **Term**. This Agreement will be effective as of the Effective Date and, unless terminated earlier, this Agreement will continue until the date on which neither Party is Researching, Developing, Manufacturing or Commercializing any Antibody Candidates or Licensed Products under this Agreement ("**Term**").

15.2. **Termination for Novartis at Will**. Novartis may terminate this Agreement for any reason or no reason on an Option Target-by Option Target or Licensed Target-by-Licensed Target basis at any time upon [***] prior written notice. Notwithstanding the foregoing, Novartis may not terminate this Agreement with respect to the T1 Licensed

Target with effect prior to the earlier of (a) [***] following the Effective Date or (b) [***] following the first IND Filing with respect to a T1 Licensed Product; provided that this sentence shall not apply in the event of a Change of Control of Novartis or a Third Party Acquisition by Novartis or its Affiliates where the applicable Third Party or its Affiliates have a Competing Program (and in the case of a Third Party Acquisition, in Novartis' reasonable judgment, the Competing Program constitutes [***] or less of the value of the Third Party or business acquired in such Third Party Acquisition).

15.3. Termination for Material Breach.

15.3.1. *Material Breach*.

15.3.1.1. Subject to Section 15.3.2, Surface will have the right to terminate this Agreement, on an Option Target-by-Option Target basis or Licensed Target-by-Licensed Target basis, upon delivery of written notice to Novartis in the event of any material breach by Novartis of any terms and conditions of this Agreement in a manner that fundamentally frustrates the transactions contemplated by this Agreement with respect to such Target, provided that such termination will not be effective if such breach has been cured within [***] after written notice thereof is given by Surface to Novartis specifying the nature of the alleged breach (or, if such default cannot be cured within such [***] period, within [***] after such notice if Novartis commences actions to cure such default within such [***] period and thereafter diligently continues such actions, but fails to cure the default by the end of such [***]; provided, however, that to the extent such material breach involves the failure to make a payment when due, such breach must be cured within [***] after written notice thereof is given by Surface to Novartis.

15.3.1.2. Subject to Section 15.3.2, Novartis will have the right to terminate this Agreement, on an Option Target-by-Option Target basis or Licensed Target-by-Licensed Target basis, upon delivery of written notice to Surface in the event of any material breach by Surface of any terms and conditions of this Agreement in a manner that fundamentally frustrates the transactions contemplated by this Agreement with respect to such Target, provided that such termination will not be effective if such breach has been cured within [***] after written notice thereof is given by Novartis to Surface specifying the nature of the alleged breach (or, if such default cannot be cured within such [***] period, within [***] after such notice if Surface commences actions to cure such default within such [***] period and thereafter diligently continues such actions, but fails to cure the default by the end of such [***]; provided, however, that to the extent such material breach involves the failure to make a payment when due, such breach must be cured within [***] after written notice thereof is given by Novartis to Surface.

15.3.2. *Disputed Breach*. If the alleged breaching Party disputes in good faith the existence or materiality of a breach specified in a notice provided by the other Party in accordance with Section 15.3.1 and such alleged breaching Party provides the other Party notice of such dispute within such [***] or [***] period, as applicable, then the non-breaching Party will not have the right to terminate this Agreement under Section 15.3.1 unless and until the dispute resolution process set forth in Section 16.3 has be completed (including the tolling and cure periods set forth therein).

15.4. Termination for Insolvency. If, at any time during the Term (a) a case is commenced by or against either Party under Title 11, United States Code, as amended, or analogous provisions of applicable Law outside the United States (the "**Bankruptcy Code**") and, in the event of an involuntary case under the Bankruptcy Code, such case is not dismissed within [***] after the commencement thereof, (b) either Party files for or is subject to the institution of bankruptcy, liquidation or receivership proceedings (other than a case under the Bankruptcy Code), (c) either Party assigns all or a substantial portion of its assets for the benefit of creditors, (d) a receiver or custodian is appointed for either Party's business, or (e) a substantial portion of either Party's business is subject to attachment or similar process; then, in any such case ((a), (b), (c), (d) or (e)), the other Party may terminate this Agreement upon written notice to the extent permitted under applicable Law.

15.5. Effect of Termination by Surface for Cause or by Novartis for Convenience. Upon termination of this Agreement with respect to any Licensed Target or any Option Target by Novartis pursuant to Section 15.2 or by Surface pursuant to Section 15.3.1.1 or 15.4:

15.5.1. With respect to such terminated Licensed Target, Novartis will pay for (a) for a period of [***] after the effective date of termination for the applicable Licensed Target, its portion of Development Costs for those Antibody Candidates or Licensed Products against such Licensed Target in the budget for the applicable Development Plan, and (b) its portion of reasonable costs and expenses (calculated in the same manner as

Development Costs) to wind down those then on-going associated Clinical Studies that Surface identifies, by written notice to Novartis provided no later than [***] after the effective date of termination, will not be continued.

15.5.2. All licenses granted under Section 9 and other rights and obligations under this Agreement with respect to such Licensed Target will terminate.

15.5.3. [***]

15.5.4. Novartis will as promptly as practicable (a) assign to Surface or Surface's designee possession and ownership of all material governmental or regulatory filings and approvals (including all material Regulatory Approvals, Regulatory Materials, Pricing Approvals) and copies of material correspondence and conversation logs [***] (to the extent assignable under applicable Laws), and (b) provide to Surface or Surface's designee copies of all material data, reports, records and materials, and other material sales and marketing related information in Novartis's possession and Control [***] In addition, Novartis will appoint Surface as Novartis's or Novartis's Affiliates' (and to the extent permitted by the applicable sublicense, its Sublicensees') agent for [***] involving Regulatory Authorities in the Novartis Territory until all Regulatory Approvals, Regulatory Materials, Pricing Approvals and other governmental or regulatory filings required to be assigned to Surface hereunder have, in fact, been assigned to Surface or its designee but in no event longer than the [***] anniversary of the effective date of termination. In the event of failure to obtain assignment of any of the items required to be assigned under this Section 15.5.4, Novartis hereby consents and grants to Surface the right to access and reference (without any further action required on the part of Novartis, whose authorization to file this consent with any Regulatory Authority is hereby granted) [***]

15.5.5. If the effective date of termination is after [***] then, to the extent permitted by applicable Laws, Novartis or its Affiliates' (or to the extent permitted by the applicable sublicense, its Sublicensees') will appoint Surface as its exclusive distributor [***] and grant Surface the right to appoint sub-distributors, until such time as all Regulatory Approvals in the Novartis Territory have been transferred to Surface or its designee but in no event longer than the [***] anniversary of the effective date of termination.

15.5.6. With respect to [***] if Novartis or its Affiliates (or to the extent permitted by the applicable sublicense, its Sublicensees) are Manufacturing [***]

15.5.7. Manufacturing of Combinations.

15.5.7.1. With respect to the Novartis Component of [***] that is a Combination:

(a) if Novartis or its Affiliates (or to the extent permitted by the applicable sublicense, its Sublicensees') are selling such Novartis Component [***] following the effective date of termination).

(b) if Novartis or its Affiliates (or to the extent permitted by the applicable sublicense, its Sublicensees') are not selling such Novartis Component [***] following the effective date of termination).

(c) if Novartis or its Affiliates (or to the extent permitted by the applicable sublicense, its Sublicensees') are Manufacturing and supplying such Novartis Component [***] to Surface [***] following the effective date of termination.

15.5.7.2. With respect to the Surface Component of [***] that is a Combination, if Novartis or its Affiliates' (or to the extent permitted by the applicable sublicense, its Sublicensees') are Manufacturing and supplying the Surface Component [***] following the effective date of termination.

15.5.7.3. For clarity, in no event will Novartis or its Related Parties be obligated to (or obligated to use Commercially Reasonable Efforts to) Develop or Commercialize any Novartis Component [***] that is a Combination Product after the effective date of termination anywhere in the world other than the U.S.

15.5.8. If Surface so requests, and to the extent permitted under Novartis's obligations to Third Parties on the effective date of termination, Novartis will [***] any Third Party [***]

15.5.9. Novartis will promptly transfer and assign to Surface all of Novartis's and its Affiliates' rights, title and interests in and to the Novartis Trademark(s) solely used to identify the Reversion Products (but not any house marks, or logos or any trademark of Novartis or its Affiliates, containing the word "Novartis" or any such Affiliate) owned by Novartis and used for the Reversion Products in the Field.

15.5.10. Novartis will transfer to Surface any finished goods inventory of the Reversion Products Controlled by Novartis or its Affiliates as of the termination date at [***]

15.5.11. Novartis will execute all documents and take all such further actions as may be reasonably requested by Surface in order to give effect to the foregoing clauses.

15.6. Effect of Termination by Novartis for Cause. Upon termination of this Agreement with respect to a Licensed Target or Option Target by Novartis pursuant to Sections 15.3.1.2 or 15.4:

15.6.1. All licenses granted under Section 9 by Novartis to Surface with respect to such Licensed Target will terminate;

15.6.2. The licenses and other rights granted by Surface to Novartis under the Surface Technology with respect to such Licensed Target will remain in effect in accordance with their respective terms; provided, however, that [***] and

15.6.3. Surface will be deemed to have exercised its right pursuant to Section 2.8 to discontinue its participation in all Committees with respect to such Target, and Novartis' obligations to provide updates to Surface on the Research, Development, Manufacture or Commercialization of any affected Licensed Antibody Candidates or Licensed Product with respect to such Target shall be limited to that information set forth on Exhibit N.

15.6.4. Except as set forth in this Section 15.6. the rights and obligations of the Parties hereunder shall terminate with respect to such Licensed Target as of the effective date of such termination.

15.6.5. Surface will execute all documents and take all such further actions as may be reasonably requested by Novartis in order to give effect to the foregoing clauses.

15.6.5.1. Effect of Expiration or Termination; Survival. In addition to the termination consequences set forth in Sections 15.5 and 15.6, the following provisions will survive expiration or termination of this Agreement for any reason: all of Sections 1, 10 (but only with respect to any payments accrued thereunder prior to any such termination or expiration), 11, 13, 15 and 16, and Sections 4.2.7, 9.4, 9.6, 9.7, 9.8, 10.12.3, 10.12.5, 10.13, 12.3, 14.1, 14.2 and 14.8. Expiration or termination of this Agreement for any reason will not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration, nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity, with respect to any breach of this Agreement. For the avoidance of doubt, termination of this Agreement will not affect any SDEA, which will continue to survive so long as any Licensed Products thereunder are being Commercialized.

16. MISCELLANEOUS

16.1. Assignment. Except as provided in this Section 16.1, this Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the written consent of the other Party. Notwithstanding the foregoing, either Party may, without the other Party's written consent, assign this Agreement and its rights and obligations hereunder in whole or in part to an Affiliate or to a party that acquires, by or otherwise in connection with, merger, sale of assets or otherwise, all or substantially all of the business of the assigning Party to which the subject matter of this Agreement relates. The assigning Party will remain responsible for the performance by its assignee of any obligation hereunder so assigned. An assignment to an Affiliate will terminate, and all rights so assigned will revert to the assigning Party, if and when such Affiliate ceases to be an Affiliate of the assigning Party. Any purported assignment in violation of this Section 16.1 will be void.

16.2. Governing Law. The Agreement will be construed and the respective rights of the Parties determined in accordance with the substantive Laws of the State of New York, notwithstanding any provisions of New York Law or any other Law governing conflicts of laws to the contrary.

16.3. Arbitration.

16.3.1. *Disputes*. Except as otherwise expressly set forth in this Agreement, including Section 2.6.3, disputes of any nature arising under, relating to, or in connection with this Agreement ("**Disputes**") will be resolved pursuant to this Section 16.3.

16.3.2. *Dispute Escalation*. In the event of a Dispute between the Parties, the Parties will first attempt to resolve such Dispute by negotiation and consultation between themselves or at the JSC. In the event that such Dispute is not resolved on an informal basis within [***] from receipt of the written notice of a Dispute, any Party may, by written notice to the other, have such Dispute referred to the Executive Officers (or their designees, which designee is required to have decision-making authority on behalf of such Party), who will attempt to resolve such Dispute by negotiation and consultation for a [***] period following receipt of such written notice.

16.3.3. *Full Arbitration*. Except as otherwise expressly set forth in this Agreement, in the event the Parties have not resolved such Dispute within [***] of receipt of the written notice referring such Dispute to the Executive Officers, either Party may at any time after such [***] period submit such Dispute to be finally settled by arbitration administered in accordance with the procedural rules of the American Arbitration Association (the "**AAA**") in effect at the time of submission, as modified by this Section 16.3. The arbitration will be governed by the Laws of the State of New York. The arbitration will be heard and determined by [***] arbitrators who are retired judges or attorneys with at least [***] of relevant experience in the pharmaceutical and biotechnology industry, each of whom will be impartial and independent. Each Party will appoint [***] and the [***] arbitrator will be selected by the [***] Party-appointed arbitrators, or, failing agreement within [***] following appointment of the second arbitrator, by the AAA. Such arbitration will take place in New York, New York. The arbitration award so given will, absent manifest error, be a final and binding determination of the Dispute, will be fully enforceable in any court of competent jurisdiction, and will not include any damages expressly prohibited by Section 13.5. Fees, costs and expenses of arbitration are to be divided by the Parties in the following manner: Novartis [***] it chooses, Surface [***] it chooses, and the Parties [***] arbitrator. Except in a proceeding to enforce the results of the arbitration or as otherwise required by Law, neither Party nor any arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of both Parties**.**

16.3.4. *Expedited Arbitration*.

16.3.4.1. If a Party exercises its rights under this Agreement to refer a dispute to expedited arbitration (an "**Expedited Dispute**"), then the Parties will follow the expedited dispute resolution process in this Section 16.3.4 (and not the dispute resolution process in Section 16.3.3 of this Agreement) ("**Expedited Arbitration**"). The Parties agree and acknowledge that any good faith dispute under Expedited Arbitration will not be deemed to be a material breach of this Agreement.

16.3.4.2. The Expedited Dispute will be submitted to fast-track, binding arbitration in accordance with the following:

(a) Arbitration will be conducted in New York, New York under the rules of the AAA for the resolution of commercial disputes in the most expedited manner permitted by such rules. The Parties will appoint a single arbitrator to be - 166 - selected by mutual agreement. If the Parties are unable to agree on an arbitrator, the Parties will request that the AAA select the arbitrator. The arbitrator will be a professional in business or licensing experienced [***] The cost of the arbitration will be borne equally by the Parties. Except in a proceeding to enforce the results of the arbitration or as otherwise required by applicable Laws, neither Novartis nor Surface nor any arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written agreement of Novartis and Surface.

(b) Within [***] after such matter is referred to arbitration, each Party will provide the arbitrator with a proposal and written memorandum in support of its position regarding the Expedited Dispute, as well as any documentary evidence it wishes to provide in support thereof (each a "**Brief**") and the arbitrator will provide each Party's Brief to the other Party after it receives it from both Parties.

(c) Within [***] after a Party submits its Brief, the other Party will have the right to respond thereto. The response and any material in support thereof will be provided to the arbitrator and the other Party.

(d) The arbitrator will have the right to meet with the Parties as necessary to inform the arbitrator's determination and to perform independent research and analysis. Within [***] of the receipt by the arbitrator of both Parties' responses (or expiration of the [***] period if any Party fails to submit a response), the arbitrator will deliver his/her decision regarding the Expedited Dispute in writing; provided that the arbitrator will select one of the resolutions proposed by the Parties.

16.3.5. *Injunctive Relief*. Notwithstanding the dispute resolution procedures set forth in this Section 16.3, in the event of an actual or threatened breach of this Agreement, the aggrieved Party may seek provisional equitable relief (including restraining orders, specific performance or other injunctive relief), without first submitting to any dispute resolution procedures hereunder.

16.3.6. [***]

16.4. Entire Agreement; Amendments. This Agreement, together with the Equity Agreements, Supply Agreements and SDEA, contains the entire understanding of the Parties with respect to the subject matter hereof, and supersedes all previous arrangements with respect to the subject matter hereof, whether written or oral, including, effective as of the Effective Date, that Confidentiality Agreement between Surface and Novartis Institutes for BioMedical Research, Inc., dated as of [***] (provided that all information disclosed or exchanged under such agreement will be treated as Confidential Information hereunder). This Agreement may be amended, or any term hereof modified, only by a written instrument duly-executed by authorized representatives of both Parties hereto. The Exhibits and Schedules attached hereto may be amended, or any term hereof modified, only by a written instrument duly-executed by authorized representatives of both Parties hereto.

16.5. Severability. If any provision hereof should be held invalid, illegal or unenforceable in any respect in any jurisdiction, the Parties hereto will substitute, by mutual consent, valid provisions for such invalid, illegal or unenforceable provisions, which valid provisions in their economic effect are sufficiently similar to the invalid, illegal or unenforceable provisions that it can be reasonably assumed that the Parties would have entered into this Agreement with such valid provisions. In case such valid provisions cannot be agreed upon, the invalid, illegal or unenforceable of one or several provisions of this Agreement will not affect the validity of this Agreement as a whole, unless the invalid, illegal or unenforceable provisions are of such essential importance to this Agreement that it is to be reasonably assumed that the Parties would not have entered into this Agreement without the invalid, illegal or unenforceable provisions.

16.6. Headings. The captions to the Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Sections hereof.

16.7. Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting Party will not apply.

16.8. Interpretation. Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa); (b) the words “include”, “includes” and “including” will be deemed to be followed by the phrase “without limitation” and will not be interpreted to limit the provision to which it relates; (c) the word “shall” will be construed to have the same meaning and effect as the word “will”; (d) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (e) any reference herein to any Person will be construed to include the Person’s successors and assigns; (f) the words “herein”, “hereof” and “hereunder”, and words of similar import, will be construed to refer to this Agreement in each of their entirety, as the context requires, and not to any particular provision hereof; (g) all references herein to Sections, Exhibits or Schedules will be construed to refer to Sections, Exhibits or Schedules of this Agreement, and references to this Agreement include all Exhibits and Schedules hereto; (h) the word “notice” means notice in writing (whether or not specifically stated) and will include notices, consents, approvals and other written communications contemplated under this Agreement; (i) provisions that require that a Party, the Parties or any committee hereunder “agree,” “consent” or “approve” or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging); (j) references to any specific law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof; and (k) the term “or” will be interpreted in the inclusive sense commonly associated with the term “and/or”.

16.9. **No Implied Waivers; Rights Cumulative**. No failure on the part of Surface or Novartis to exercise, and no delay in exercising, any right, power, remedy or privilege under this Agreement, or provided by statute or at Law or in equity or otherwise, will impair, prejudice or constitute a waiver of any such right, power, remedy or privilege or be construed as a waiver of any breach of this Agreement or as an acquiescence therein, nor will any single or partial exercise of any such right, power, remedy or privilege preclude any other or further exercise thereof or the exercise of any other right, power, remedy or privilege.

16.10. **Notices**. All notices which are required or permitted hereunder will be in writing and sufficient if delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Surface, to:	Surface Oncology, Inc. 215 First Street, Suite 400-S Cambridge, Massachusetts 02142 Attention: Chief Executive Officer Facsimile No.: (617) 945-9574
With a copy to:	Goodwin Procter LLP Exchange Place 53 State Street Boston, Massachusetts 02109 Attention: Kingsley L. Taft, Esq. Facsimile No.: (617) 523-1231
If to Novartis, to:	Novartis Institutes for BioMedical Research, Inc. 250 Massachusetts Avenue Cambridge, MA 02139 Attention: General Counsel Facsimile No.: (617) 871-5786
With a copy to:	Hogan Lovells US LLP 875 Third Avenue New York, NY 10022 Attention: Adam H. Golden, Esq. Facsimile No.: (212) 918-3100

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice will be deemed to have been given: (a) when delivered if personally delivered on a Business Day (or if delivered or sent on a non-Business Day, then on the next Business Day); (b) on the Business Day of receipt if sent by overnight courier or facsimile; or (c) on the Business Day of receipt if sent by mail.

16.11. **Compliance with Export Regulations**. Neither Party will export any technology licensed to it by the other Party under this Agreement except in compliance with U.S. export Laws and regulations.

16.12. **Force Majeure**. Neither Party will be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent that such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, potentially including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, fire, earthquakes, floods, or other acts of God. The affected Party will notify the other Party of such force majeure circumstances as soon as reasonably practical, and will promptly undertake all reasonable efforts necessary to cure such force majeure circumstances and resume performance of its obligations hereunder.

16.13. Independent Parties. It is expressly agreed that Surface and Novartis will be independent contractors and that the relationship between Surface and Novartis will not constitute a partnership, joint venture or agency. Surface will not have the authority to make any statements, representations or commitments of any kind, or to take any action, which will be binding on Novartis, without the prior written consent of Novartis, and Novartis will not have the authority to make any statements, representations or commitments of any kind, or to take any action, which will be binding on Surface, without the prior written consent of Surface.

16.14. Counterparts. The Agreement may be executed in two or more counterparts, including by facsimile or PDF signature pages, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

16.15. Performance by Affiliates. Each Party acknowledges and accepts that the other Party may exercise its rights and perform its obligations (including granting or continuing licenses and other rights) under this Agreement either directly or through one or more of its Affiliates. A Party's Affiliates will have the benefit of all rights (including all licenses and other rights) of such Party under this Agreement, but not be subject to such Party's obligation, unless expressly provided herein, or in the case of a permitted assignment, in accordance with Section 16.1. Accordingly, in this Agreement "Novartis" will be interpreted to mean "Novartis or its Affiliates" and "Surface" will be interpreted to mean "Surface or its Affiliates" where necessary to give each Party's Affiliates the benefit of the rights provided to such Party in this Agreement and the ability to perform its obligations (including granting or continuing licenses and other rights) under this Agreement; provided, however, that in any event each Party will remain responsible for the acts and omissions, including financial liabilities, of its Affiliates.

16.16. Binding Effect; No Third Party Beneficiaries. As of the Effective Date, this Agreement will be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Except as expressly set forth in this Agreement, no Person other than the Parties and their respective Affiliates and permitted assignees hereunder will be deemed an intended beneficiary hereunder or have any right to enforce any obligation of this Agreement.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.	**SURFACE ONCOLOGY, INC.**
BY: /s/ H. MARTIN SEIDEL	BY: /s/ Detlev Biniszkiewicz
NAME: H. MARTIN SEIDEL	NAME: Detlev Biniszkiewicz
TITLE: GLOBAL HEAD, STRATEGIC ALLIANCES	TITLE: President and CEO

Exhibit A-1

Determination of Component Value

[***]

EXHIBIT A-2

Manufacturing Costs for Combinations for Regional Licensed Products in the Surface Territory

[***]

EXHIBIT B

Manufacturing Costs

"**Manufacturing Costs**" means a [***]

EXHIBIT C

Form of Option Exercise Notice

[Novartis Institutes for Biomedical Research, Inc.]
[250 Massachusetts Ave.]
[Cambridge, MA 02139]

[_, 20]

Surface Oncology, Inc.
215 First Street, Suite 400-S
Cambridge, MA 02142
Attn: Chief Executive Officer

Dear Sir or Madam:

In accordance with Section 4.2.6 of that certain Collaboration Agreement by and between Surface Oncology, Inc. ("Surface") and Novartis Institutes for Biomedical Research, Inc. ("Novartis") executed as of January 9, 2016 (the "Collaboration Agreement"), Novartis hereby provides written notice exercising the Option set forth in Exhibit A attached hereto, for which Novartis previously provided an Option Purchase Notice, pursuant to the terms of the Collaboration Agreement. Capitalized terms used but not defined herein will have the meanings assigned to them in the Collaboration Agreement.

Very truly yours,

[NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.]

By:
Name:
Title:

cc: Goodwin Proctor LLP
Exchange Place
55 State Street
Boston, MA 02109
Attn: Kingsley L. Taft, Esq.
Confidential

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Exhibit A

1. Option: .
2. Novartis has determined that:
   - ☐ a filing or notification under applicable Antitrust Laws is not necessary.
   - ☐ a filing or notification must be made under applicable Antitrust Laws.

Summary of any such filing(s) or notification(s):

EXHIBIT D

[Novartis Institutes for Biomedical Research, Inc.]
[250 Massachusetts Ave.]
[Cambridge, MA 02139]

[_, 20]

Surface Oncology, Inc.
215 First Street, Suite 400-S
Cambridge, MA 02142
Attn: Chief Executive Officer

Dear Sir or Madam:

In accordance with Section 4.1.1 of that certain Collaboration Agreement by and between Surface Oncology, Inc. ("Surface") and Novartis Institutes for Biomedical Research, Inc. ("Novartis") executed as of January 9, 2016 (the "Collaboration Agreement"), Novartis hereby provides written notice to purchase the Option set forth in Exhibit A attached hereto, pursuant to the terms of the Collaboration Agreement. Capitalized terms used but not defined herein will have the meanings assigned to them in the Collaboration Agreement.

Very truly yours,

[NOVARTIS INSTITUTES FOR
BIOMEDICAL RESEARCH, INC.]

By:
Name:
Title:

cc: Goodwin Proctor LLP
Exchange Place
55 State Street
Boston, MA 02109
Attn: Kingsley L. Taft, Esq.

Exhibit A

1. Option: .
2. In accordance with Section 10.3, Novartis will pay to Surface an option exercise right purchase fee of:
   - ☐ Five Million Dollars ($5,000,000)
   - ☐ [***]

EXHIBIT E

Initial JSC Representatives

For Novartis:

[***]

For Surface:

[***]

EXHIBIT F

T1 Research Plan

[***]

[***]

EXHIBIT G

Surface T1 Target Third Party Agreements (§3.1.7, 5.1.7)

[***]

EXHIBIT H-1

CD47 Research Plan

[***]

EXHIBIT H-2

IL-27 Research Plan

[***]

[***]

[***]

[***]

EXHIBIT H-3

[***]

[***]

EXHIBIT H-4

[***]

EXHIBIT I

Surface Option Target Third Party Agreements (§3.2.6, 5.2.8, 5.3.7)

[***]

EXHIBIT J

Form of Option Selection Notice

[Novartis Institutes of Biomedical Research, Inc.]/[Surface Oncology, Inc.]
[250 Massachusetts Ave.]/[215 First Street, Suite 400-S]
Cambridge, MA [02139]/[02142]

[_, 20]

[Surface Oncology, Inc.
215 First Street, Suite 400-S
Cambridge, MA 02142
Attn: Chief Executive Officer]

[Novartis Institutes for Biomedical Research, Inc.]
[250 Massachusetts Ave.]
[Cambridge, MA 02139]
Attn: [_]

Dear Sir or Madam:

In accordance with Section 4.2.3 of that certain Collaboration Agreement by and between Surface Oncology, Inc. ("Surface") and Novartis Institutes of Biomedical Research, Inc. ("Novartis") executed as of January 9, 2016 (the

"Collaboration Agreement"), [Novartis]/[Surface] hereby provides written notice indicating the selection of the Option set forth in Exhibit A attached hereto, pursuant to the terms of the Collaboration Agreement. Capitalized terms used but not defined herein will have the meanings assigned to them in the Collaboration Agreement.

Very truly yours,

[NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.]/[SURFACE ONCOLOGY, INC.]

By:
Name:
Title:

cc: [Goodwin Proctor LLP
Exchange Place
55 State Street
Boston, MA 02109
Attn: Kingsley L. Taft, Esq.]

cc: [Hogan Lovells US LLP
875 Third Avenue
New York, NY 10022
Attention: Adam H. Golden, Esq.
Facsimile No.: (212) 918-3100]

Exhibit A

1. Option: .
2. [Novartis]/[Surface] is designating the Option listed above as a:
[***]

EXHIBIT K

Surface Manufacturing Third Party Agreements (§8.5)

[***]

EXHIBIT L

Form of Invoice

Company Name
Street Address
City, State ZIP Code
Phone 1xxxxxx
Fax 1xxxxxx

INVOICE
DATE: Month Day, Year
INVOICE #: XX
NOVARTIS PO#: XXXXXXXX

Bill To:
Novartis Institutes for Biomedical Research, Inc.
Attn: Novartis Contact Name

P.O. Box 5990

Portland OR, 97228-5990

Re: Collaborative Agreement between Surface Oncology, Inc. and Novartis Institutes for BioMedical Research, Inc. effective as of January 9, 2016.

PO Line Number	DESCRIPTION	AMOUNT
X	[Upfront/Development Milestone/Sales Milestone] payment with reference made to the relevant section of the contract	$XX.XX

TOTAL $XX.XX

Remit to:
Bank Wire Information:

Bank Name:	XX
Account No.:	XX
ABA#:	XX (only applicable in the US)
IBAN:	XX (only applicable in Europe)
SWIFT CODE:	XX (applicable US and Europe)

Note for e-mail submission of invoices:

- The address is: [***]
- Attached invoice files must contain a Novartis issued purchase order number (PO) on them and cannot be zipped**. Invoices without a PO number on them or zipped attachments will not be accepted for processing.**

EXHIBIT M

Royalty Calculation Examples

Section 10.9.1

[***]

Section 10.9.2

[***]

Section 10.9.3.1

[***]

Section 10.9.3.2

[***]
Royalty Reduction Sample Calculation

[***]

Ex-U.S.:

[***]

U.S.:

[***]

EXHIBIT N

Disclosure Obligations

[***]

Schedule 1.1.158

Option IND Package Information

[***]

Schedule 1.1.167

Option Tox Package Information

[***]

Schedule 12.2

Exceptions to Representations and Warranties

12.2.1:

[***]
[***]
[***]

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

FIRST AMENDMENT TO COLLABORATION AGREEMENT

This first amendment (the "First Amendment") to the Agreement (as defined below), is entered into as of May 6, 2016 (the "Amendment Effective Date"), by and between Surface Oncology, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Surface"), and Novartis Institutes for BioMedical Research, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Novartis").

WHEREAS, Surface and Novartis are parties to that certain Collaboration Agreement dated January 9, 2016 (the "Agreement");

WHEREAS, Surface and Novartis desire to have Novartis assume Manufacturing responsibilities with respect to Tl Antibody Candidates and Tl Licensed Products; and

WHEREAS, Surface and Novartis desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual provisions and covenants herein, the receipt and sufficiency of which are hereby acknowledged, Surface and Novartis hereby agree as follows:

1. Section 8.1.1.1 is hereby amended by deleting Section 8.1.1.1 in its entirety and replacing it with the following:

"8.1.1.1. Subject to the oversight of the JRC, the responsibility to Manufacture (or have Manufactured) Tl Antibody Candidates for use in the Tl Research Program shall be allocated between Surface and Novartis (or such Party's designated Third Party contract manufacturers) in accordance with the Tl Research Plan."

2. Section 8.1.1.2 is hereby amended by deleting Section 8.1.1.2 in its entirety and replacing it with the following:

"8.1.1.2. Subject to the oversight of the JDC, Novartis has the sole responsibility to Manufacture (or have Manufactured) Tl Antibody Candidates and Tl Licensed Products for use in the first Phase 1 Safety Study for the Tl Antibody Candidates and Tl Licensed Products in accordance with the Tl Development Plan."

3. Section 8.1.1.3 is hereby amended by deleting Section 8.1.1.3 in its entirety and replacing it with the following:

"8.1.1.3. Novartis has the sole responsibility to Manufacture (or have Manufactured) Tl Antibody Candidates and Tl Licensed Products for use in Development and Commercialization of such Tl Antibody Candidates and Tl Licensed Products in the Novartis Territory."

4. Section 8.1.2.1 is hereby amended by deleting Section 8.1.2.1 in its entirety and replacing it with the following:

"8.1.2.1. Surface will be responsible for [***] of all Manufacturing Costs relating to Tl Antibody Candidates incurred to support the Tl Research Program, including reimbursement to Novartis of all Manufacturing Costs

reasonably incurred by or on behalf of Novartis for the Manufacture of Tl Antibody Candidates for use in the Tl Research Program."

5. Section 8.1.2.2 is hereby amended by deleting Section 8.1.2.2 in its entirety and replacing it with the following:

"8.1.2.2. Novartis will be responsible for [***] of all Manufacturing Costs relating to the first Phase 1 Safety Study for Tl Antibody Candidates and Tl Licensed Products set forth in the Novartis approved budget for such Phase 1 Safety Study."

6. Section 8.1.2.3 is hereby amended by deleting Section 8.1.2.3 in its entirety and replacing it with the following:

"8.1.2.3. Except as provided in Section 8.1.2.1, Novartis will be responsible for [***] of all Manufacturing Costs relating to Tl Antibody Candidates and Tl Licensed Products for use in the Research, Development and Commercialization of such Tl Antibody Candidates and Tl Licensed Products in the Novartis Territory incurred by or on behalf of Novartis."

7. Section 15.5.3 is hereby amended by deleting Section 15.5.3 in its entirety and replacing it with the following:

"15.5.3. [***]

8. Section 15.5.8 is hereby amended by deleting Section 15.5.8 in its entirety and replacing it with the following:

"15.5.8. If Surface so requests, and to the extent permitted under Novartis's obligations to Third Parties on the effective date of termination, Novartis will [***] any Third Party [***]"

9. Exhibit F (Tl Research Plan) is hereby deleted in its entirety and replaced by the Exhibit F as appended to this First Amendment.
10. Except as expressly set forth in this First Amendment, all provisions of the Agreement shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, Surface and Novartis have caused this First Amendment to be executed by their respective authorized representatives as of the Amendment Effective Date.

SURFACE ONCOLOGY, INC.	**NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.**
/s/ Nick Buffinger	/s/ H. Martin Seidel
Name: Nick Buffinger	Name: H. Martin Seidel
Title: VP, Corporate Development & IP Strategy	Title: Global Head of Strategic Alliances
Date: 9 May 2016	Date: May 11, 2016

EXHIBIT F

T1 Research Plan

[***]
[***]
[***]
[***]

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

SECOND AMENDMENT TO COLLABORATION AGREEMENT

This second amendment (the "Second Amendment") to the Agreement (as defined below), is entered into as of July 14, 2017 (the "Amendment Effective Date"), by and between Surface Oncology, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Surface"), and Novartis Institutes for BioMedical Research, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Novartis").

WHEREAS, Surface and Novartis are parties to that certain Collaboration Agreement dated January 9, 2016 (the "Agreement"), as amended by the May 6, 2016 First Amendment to Collaboration Agreement;

WHEREAS, Surface and Novartis desire to [***] and

WHEREAS, Surface and Novartis desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual provisions and covenants herein, the receipt and sufficiency of which are hereby acknowledged, Surface and Novartis hereby agree as follows:

1. Exhibit F (Tl Research Plan) is hereby deleted in its entirety and replaced by the Exhibit F as appended to this Second Amendment.
2. Except as expressly set forth in this First Amendment, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Surface and Novartis have caused this Second Amendment to be executed by their respective authorized representatives as of the Amendment Effective Date.

SURFACE ONCOLOGY, INC.	**NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.**
/s/ Detlev Biniszkiewicz	/s/ Scott A Brown
Name: Detlev Biniszkiewicz	Name: Scott A Brown
Title: President & CEO	Title: VP, General Counsel
Date: July 14, 2017	Date: 7/17/17

EXHIBIT F

T1 Research Plan

[***]
[***]
[***]
[***]

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

THIRD AMENDMENT TO COLLABORATION AGREEMENT

This Third Amendment (the "Third Amendment") to the Agreement (as defined below), is entered into as of September 18th, 2017 (the "Amendment Effective Date"), by and between Surface Oncology, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Surface"), and Novartis Institutes for BioMedical Research, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Novartis").

WHEREAS, Surface and Novartis are parties to that certain Collaboration Agreement dated January 9, 2016, as amended by that certain First Amendment to Collaboration Agreement dated May 6, 2016, and that certain Second Amendment to Collaboration Agreement dated July 14, 2017 (the "Agreement");

WHEREAS, Surface and Novartis desire to clarify the Parties' respective responsibilities relating to certain Research, Development and regulatory activities with respect to T1 Antibody Candidates and T1 Licensed Products;

WHEREAS, Surface and Novartis desire to [***] and

WHEREAS, Surface and Novartis desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual provisions and covenants herein, the receipt and sufficiency of which are hereby acknowledged, Surface and Novartis hereby agree as follows:

1. Clause (a) of Section 1.1.204 is hereby amended by deleting Section 1.1.204 in its entirety and replacing it with the following:

"1.1.204. **"Research Term"** means, [***]

2. A new Section 1.1.265 is hereby added as follows:

"1.1.265 **"Final Audited GLP Toxicology Study Report"** means [***]

3. A new Section 1.1.266 is hereby added as follows:

"l.1.266 **"Receipt"** means [***]

4. Section 3.1.2 is hereby amended by deleting Section 3.1.2 in its entirety and replacing it with the following:

"3.1.2 *Diligence; Standards of Conduct.* During the Research Term, Surface (itself or through its Affiliates or by permitted subcontracting pursuant to Section 3.1.7) will use Commercially Reasonable Efforts to [***] Surface will conduct its activities under the T1 Research Plan in a good scientific manner and in compliance with applicable Law."

5. Section 5.1.2 is hereby amended by deleting Section 5.1.2 in its entirety and replacing it with the following:

"5.1.2. *Transition*. By no later than [***] for a T1 Licensed Product, Surface will prepare and provide to Novartis a draft plan for the transition of the Development of such T1 Licensed Products from Surface to Novartis or its designee (a **"T1 Transition Plan").** The T1 Transition Plan for each T1 Licensed Product will require Surface to, as soon as reasonably practicable following the Research Term: (a) transfer to Novartis of a copy of all Know-How Controlled by Surface that is reasonably necessary or useful for Development of such T1 Antibody Candidates or T1 Licensed Products, or obtaining or maintaining Regulatory Approval for such T1 Licensed Products in the Novartis Territory, including information and materials reasonably requested by Novartis, in a format reasonably acceptable to Novartis (which will be specified in such T1 Transition Plan, along with the process of transferring such Know-How); (b) assign to Novartis any Regulatory Materials submitted to, or filed with, any Regulatory Authority with respect to such T1 Antibody Candidates or T1 Licensed Products; (c) transfer to Novartis a copy of all written correspondence with any Regulatory Authority with respect to such T1 Antibody Candidates or T1 Licensed Products and all written minutes of meetings and memoranda of oral communications with any Regulatory Authority with respect to such T1 Antibody Candidates or T1 Licensed Products; and (d) transfer to Novartis a copy of any other information or materials reasonably requested by Novartis that are reasonably necessary or useful for Development of such T1 Antibody Candidates or T1 Licensed Products in the Novartis Territory, including if so reasonably requested by Novartis, and Third Party agreements relating solely thereto (the items described in clauses (a) through (d) collectively, **"T1 Development Information").** The T1 Transition Plan for each T1 Licensed Product will also describe any Development activities with respect to such T1 Licensed Product that Surface is required to perform as requested by Novartis and mutually agreed upon by the Parties (collectively, **"T1 Transition Activities").** Each Party will use Commercially Reasonable Efforts to perform the obligations assigned to it under the T1 Transition Plan in accordance with any timelines set forth therein, [***]"

6. Section 7.1.1.1 is hereby amended by deleting Section 7.1.1.1 in its entirety and replacing it with the following:

"7.1.1.1. *Ownership of Regulatory Filings.* Novartis will be responsible for filing, and Novartis will own, all INDs, NDAs, Regulatory Materials and related regulatory documentation with respect to any T1 Licensed Product. At Novartis's request following [***] for the T1 Research Program, Surface will promptly assign and transfer to Novartis all Regulatory Materials and other regulatory documentation in the Novartis Territory
with respect to such T1 Licensed Product that is in the possession or control of Surface, and each Party will submit all filings, letters and other documentation necessary to effect such assignment and transfer to the applicable Regulatory Authority as soon as reasonably practicable, but no later than [***] days after such request for such T1 Licensed Product. Surface hereby appoints Novartis as Surface's agent for all matters related to each T1 Licensed Product involving Regulatory Authorities in the Novartis Territory during the period beginning on the Effective

Date for the T1 Licensed Product and ending on the date that the transfer of all Regulatory Materials and related regulatory documents in the Novartis Territory that relate to such T1 Licensed Product, and Novartis hereby accepts such appointment."

7. Section 10.7.1 is hereby amended by deleting the second row in the table set forth in Section 10.7.1 and replacing it with the following:

Developmental Milestone Event	**Developmental Milestone Payment**
[***]	[***]

8. Section 10.7.4 is hereby amended by deleting Section 10.7.4 in its entirety and replacing it with the following:

"10.7.4 *Payment Terms for Development Milestone Payments.* The Party who achieves a Development Milestone Event shall provide the other Party with written notice of its achievement of such Development Milestone Event within [***] days after such Development Milestone Event is achieved. After Surface's delivery or receipt of such notice (as applicable), Surface shall submit an invoice to Novartis substantially in the form of Exhibit L for the corresponding Development Milestone Payment. Novartis shall make the corresponding Development Milestone Payment within [***] days after receipt of such invoice. Notwithstanding the foregoing, in the event that Surface achieves a given Development Milestone Event, Novartis shall make the corresponding Development Milestone Payment within [***] days after receipt of the relevant invoice from Surface."

9. Exhibit F (T1 Research Plan) is hereby deleted in its entirety and replaced by Exhibit F as appended to this Third Amendment.
10. Except as expressly set forth in this Third Amendment, all provisions of the Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Surface and Novartis have caused this Third Amendment to be executed by their respective authorized representatives as of the Amendment Effective Date.

NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.	**SURFACE ONCOLOGY, INC.**
BY: /s/ Scott Brown	BY: /s/ Scott Chappel
NAME: Scott Brown	NAME: Scott Chappel
TITLE: VP General Counsel	TITLE: CTO

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

EXHIBIT F

T1 Research Plan

[***]
[***]
[***]

Exhibit 10.33

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

CONFIDENTIAL

FOURTH AMENDMENT TO COLLABORATION AGREEMENT

This Fourth Amendment (the "Fourth Amendment") to the Agreement (as defined below), is entered into as of October 9, 2018 (the "Amendment Effective Date"), by and between Surface Oncology, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Surface"), and Novartis Institutes for BioMedical Research, Inc., a corporation organized and existing under the Laws of the State of Delaware ("Novartis").

WHEREAS, Surface and Novartis are parties to that certain Collaboration Agreement dated January 9, 2016, as amended by that certain First Amendment to Collaboration Agreement dated May 6, 2016, that certain Second Amendment to Collaboration Agreement dated July 14, 2017 and that certain Third Amendment to Collaboration Agreement dated September 18, 2017 (the "Agreement");

WHEREAS, Surface has entered into that certain Amended and Restated Development and Option Agreement with Adimab, LLC, dated as of October 4, 2018 (the "A&R Adimab Agreement");

WHEREAS, Surface and Novartis desire to clarify the Parties' respective rights and responsibilities relating to the A&R Adimab Agreement and diagnostic products; and

WHEREAS, Surface and Novartis desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual provisions and covenants herein, the receipt and sufficiency of which are hereby acknowledged, Surface and Novartis hereby agree as follows:

1. Novartis hereby acknowledges and agrees that Surface was entitled to enter into the A&R Adimab Agreement in accordance with Section 12.4.3, and all references to the "Adimab Agreement" in the Agreement will refer to the A&R Adimab Agreement, as such agreement may be amended, restated or otherwise replaced from time to time to the extent permitted under Section 12.4.3 of the Agreement.

2. Section 9.5.1.1 of the Agreement is hereby amended by appending the following to the end thereof:

"For each Licensed Target, Surface acknowledges and agrees that Novartis shall not owe any (a) payments to Surface under this Agreement or (b) Third Party Payments to Surface or Adimab under the Adimab Agreement, in each case ((a)-(b)) with respect to the Research, Development, Manufacture or Commercialization of any Adimab Diagnostic Product (as defined in the Adimab Agreement) for such Licensed Target solely for the purposes of Research, Development or Commercialization of therapeutic or prophylactic Licensed Products that Specifically Binds to such Licensed Target in accordance with the terms and conditions of this Agreement."

3. Section 9.5.2 of the Agreement is hereby amended by appending the following to the end thereof: "Novartis hereby acknowledges and agrees that Surface has not granted to Novartis any licenses or rights under the Surface Technology to Research, Develop, Manufacture or Commercialize any Adimab Diagnostic Product (as defined in the Adimab Agreement) for a Licensed Target other than solely for the purposes of Research, Development or Commercialization of therapeutic or prophylactic Licensed Products that Specifically Binds to such Licensed Target in accordance with the terms and conditions of this Agreement."

4. Section 12.5.1.4 of the Agreement is hereby amended by appending the following to the end thereof:

"[***]."

5. Except as expressly set forth in this Fourth Amendment, all provisions of the Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Surface and Novartis have caused this Fourth Amendment to be executed by their respective authorized representatives as of the Amendment Effective Date.

NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.		**SURFACE ONCOLOGY, INC.**	
BY:	/s/ Scott Brown	BY:	/s/ J. Jeffrey Goater
NAME:	Scott Brown	NAME:	Jeff Goater
TITLE:	General Counsel and Chief Administrative Officer, NIBR	TITLE:	CEO

CERTAIN IDENTIFIED INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY "[***]", HAS BEEN EXCLUDED BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement"), is entered into as of December 16, 2020 (the "Effective Date"), by and between Surface Oncology, Inc., a Delaware corporation having business offices at 50 Hampshire Street, Cambridge MA 02139 ("Surface"), and GLAXOSMITHKLINE INTELLECTUAL PROPERTY (No. 4) LIMITED, a company registered in England and Wales (registered number 11721880) and having business offices at 980 Great West Road, Brentford, Middlesex TW8 9GS United Kingdom ("GSK").

INTRODUCTION

WHEREAS, Surface Controls certain Patent Rights, Know-How and other intellectual property rights related to the Licensed Target and the Licensed Antibody known as SRF813;

WHEREAS, Surface obtained certain intellectual property rights related to Licensed Antibodies targeting the Licensed Target from [***] pursuant to the [***];

WHEREAS, GSK wishes to obtain from Surface and Surface wishes to grant to GSK certain rights and licenses under certain Patent Rights, Know-How, and other intellectual property rights Controlled by Surface to Develop, Manufacture and Commercialize Licensed Antibodies and Licensed Products in the Territory, subject to the terms and conditions set forth herein; and

WHEREAS, in connection with this Agreement, [***].

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE I
DEFINITIONS

The following terms used in this Agreement will have the meanings set forth in this ARTICLE I:

1.1. "Accounting Standards" means, with respect to GSK, IFRS (International Financial Reporting Standards) as adopted by the United Kingdom, or such other generally accepted accounting standard as it may from time to time adopt, in each case, consistently applied, and with respect to Surface, GAAP (accounting principles generally accepted in the United States of America), or such other generally accepted accounting standard as it may from time to time adopt, in each case, consistently applied.

1.2. "Action" means any claim, action, cause of action or suit (whether in contract or tort or otherwise), litigation (whether at law or in equity, whether civil or criminal), assessment, arbitration, investigation, hearing, charge, complaint, demand, notice or proceeding of, to, from, by or before any Governmental Authority.

1.3. "Acquisition Third Party" has the meaning set forth in Section 2.8(b).

1.4. "Acquisition Transaction" has the meaning set forth in Section 2.8(b).

1.5. [***].

1.6. "Affiliate" means, (a) with respect to GSK, any Person controlling, controlled by or under common control with such first Person, at the time that the determination of affiliation is made and for as long as such control exists, (b) with respect to Surface, any entity that is controlled by Surface at the time that the determination of affiliation is made and for as long as such control exists, and (c) with respect to any other Person, any entity controlling, controlled by or under common control with such first Person, at the time that the determination of affiliation is made and for as long as such control exists. For purposes of this definition, "control" means (i) direct or indirect ownership of fifty percent (50%) or more of the stock or shares having the right to vote for the election of directors of such Person (or if the jurisdiction where such Person is domiciled prohibits foreign ownership of such entity, the maximum foreign ownership interest permitted under such Laws; provided, however, that such ownership interest provides actual control over such Person), (ii) status as a general partner in any partnership, or (iii) the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise. Affiliates of a Party will exclude Persons who are financial investors of such Party or under common control of such financial investors other than such Party and its subsidiary entities.

1.7. "Alternative Product" has the meaning set forth in Section 2.8(c).

1.8. "Antibody" means, with respect to the Licensed Target, any monoclonal antibody or antigen-binding fragment, modification, or derivative thereof that binds to such Licensed Target, and includes an immunoglobulin, such as IgA, IgD, IgE, IgG and IgM, in each case, whether multiple or single chain, recombinant or naturally occurring or a combination of the foregoing in any species, whole or antigen-binding fragment, including any monospecific or any bispecific/multi-specific/multivalent antibody, and any analogs, constructs, conjugates, fusions or chemical or other modifications or attachments thereof or thereto. An antigen binding portion of an Antibody includes an antigen binding heavy chain, light chain, heavy chain dimer, diabody, Fab fragment, F(ab')2 fragment, single domain, or any FV fragment, including a single chain FV (SCFV), a disulfide stabilized FV fragment (DSFV), or a bispecific DSFV, or a conjugate containing the immunoglobulin or an antigen-binding fragment thereof. For clarity, an antibody that differs in amino acid sequence with respect to the antigen-binding portion thereof will be treated as a separate antibody.

1.9. "Audited Site" has the meaning set forth in Section 4.3(d).

1.10. "Auditor" has the meaning set forth in Section 7.5(a).

1.11. "Biosimilar Application" has the meaning set forth in Section 8.2(f)(iii).

1.12. "Biosimilar Product" means, with respect to a given Licensed Product in a particular country in the Territory, any product sold by a Third Party not authorized by GSK or its Affiliates or its or their Sublicensees that is approved by the applicable Regulatory Authority for such country through any application or submission filed with a Regulatory Authority for Regulatory Approval of a biological product claimed to be biosimilar or interchangeable to such Licensed Product or otherwise relying on the approval of such Licensed Product in such country, including, an application filed under 42 U.S.C. § 262(k) or any similar provisions in a country outside the United States, based in reliance, at least in part, on data generated for a Regulatory Approval of such Licensed Product.

1.13. "Breaching Party" has the meaning set forth in Section 13.3(a).

1.14. "Business Day" means any day, other than a Saturday or a Sunday, on which banking institutions in Massachusetts, United States and London, England are open for business, but excluding the nine (9) consecutive calendar days beginning on December 24th and continuing through January 1st of each Calendar Year during the Term.

1.15. "Calendar Quarter" means each of the three month periods ending on March 31, June 30, September 30, and December 31 of any Calendar Year; provided, however: (a) the first Calendar Quarter of the Term will extend from the Effective Date to the end of the Calendar Quarter in which the Effective Date occurs; and (b) the last Calendar Quarter will extend from the beginning of the Calendar Quarter in which this Agreement expires or terminates until the effective date of such expiration or termination.

1.16. "Calendar Year" means, for the first Calendar Year, the period beginning on the Effective Date and ending on December 31, 2020, and for each Calendar Year thereafter each twelve (12)-month period commencing on January 1, and ending on December 31, except that the last Calendar Year will commence on January 1 of the year in which this Agreement expires or terminates and end on the effective date of such expiration or termination.

1.17. "CAPA" has the meaning set forth in Section 4.3(d).

1.18. "Cessation of Development" has the meaning set forth in Section 13.3(e).

1.19. "Change of Control" means, with respect to a Party, (a) a merger, consolidation, reorganization, amalgamation, arrangement, share exchange, tender or exchange offer, private purchase, business combination or other transaction of such Party with a Third Party that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent at least fifty percent (50%) of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger or consolidation, (b) a transaction or series of related transactions in which a Third Party, together with its Affiliates, becomes the direct or indirect beneficial owner of more than fifty percent (50%) of the combined voting power of the outstanding securities of such Party, or (c) the sale or other transfer to a Third Party of all or substantially all of such Party's and its controlled Affiliates' assets. Notwithstanding the foregoing, any transaction or series of transactions effected for the primary purpose of financing the operations of the applicable Party or changing the form or jurisdiction of organization of such Party will not be deemed a "Change of Control" for purposes of this Agreement.

1.20. "Clinical Data" means the original human subject data and case report forms (CRFs) collected or generated with respect to Clinical Studies of any Licensed Antibody or Licensed Product, together with all analysis, reports, and results with respect thereto.

1.21. "Clinical Study" means a study in which human subjects or patients are dosed with a drug, whether approved or investigational, pursuant to a prospectively defined clinical protocol.

1.22. "Combination Product" means any pharmaceutical preparation containing as its active ingredients both a Licensed Antibody and one or more other therapeutically or prophylactically active ingredients (each an "Other Component"), so long as the applicable Licensed Product and other pharmaceutical preparation are fixed dose combinations and

co-packaged combinations of the Licensed Antibody and the Other Components. Drug delivery vehicles, adjuvants, and excipients will not be deemed to be "active ingredients", except in the case where such delivery vehicle, adjuvant, or excipient is recognized as an active ingredient in accordance with 21 C.F.R. § 210.3(b)(7) (as amended), or any foreign counterpart.

1.23. "Commercialization," "Commercializing" or "Commercialize" means any and all activities related to the pre-marketing, launching, marketing, promotion (including advertising and detailing), labeling, bidding and listing, pricing and reimbursement, distribution, having distributed, storage, handling, offering for sale, selling, having sold, importing and exporting for sale, having imported and exported for sale, customer service and support, and post-marketing safety surveillance and reporting of a product (including the Licensed Product).

1.24. "Commercially Reasonable Efforts" means, with respect to any Licensed Antibody or Licensed Product, such efforts that are consistent with the efforts and resources [***].

1.25. "Confidential Information" means (a) all trade secrets or confidential or proprietary information (including any tangible materials embodying any of the foregoing) of the disclosing Party or its Affiliates provided or disclosed to the other Party or any of its Affiliates in connection with this Agreement, (b) "Confidential Information" (as defined in the Prior CDA) that was disclosed by a Party or any of its Affiliates to the other Party or any of its Affiliates under the Prior CDA, and (c) the terms and conditions of this Agreement; provided, however, that Confidential Information will not include information that:

(i) has been published by a Third Party or otherwise is or hereafter becomes part of the public domain by public use, publication, general knowledge or the like through no breach of this Agreement on the part of the receiving Party;

(ii) has been in the receiving Party's possession prior to disclosure by the disclosing Party hereunder, and not through a prior disclosure by the disclosing Party, without any obligation of confidentiality with respect to such information (as evidenced by the receiving Party's or such Affiliate's written records or other competent evidence);

(iii) is subsequently received by the receiving Party from a Third Party who is not known by the receiving Party to be under an obligation of confidentiality to the disclosing Party under any agreement between such Third Party and the disclosing Party; or

(iv) has been independently developed by or for the receiving Party without reference to, or use or disclosure of, the disclosing Party's Confidential Information (as evidenced by the receiving Party's or such Affiliate's written records or other competent evidence);

provided, further, that clauses (ii) through (iv) above will not apply to the terms and conditions of this Agreement.

1.26. "Control" or "Controlled" means, with respect to any Know-How, Patent Right, Regulatory Material, Regulatory Approval or other property right, the legal authority or right (whether by ownership, license (other than a license granted pursuant to this Agreement) or otherwise) of a Person or its Affiliate, to grant access, a license or a sublicense of or under such Know-How, Patent Right, Regulatory Material, Regulatory Approval or other property right, without (a) breaching the terms of any agreement with a Third Party and (b) with respect to any Patent Rights which are reasonably useful [***] for the Development, Manufacture, or Commercialization of the Licensed Antibodies or Licensed Products in the Field in the Territory, [***] to any Third Party, except for that which a Party in-licenses and under which the other Party [***] as contemplated in [***].

1.27. "Cover," "Covering" or "Covered" means, when referring to the Licensed Product or Licensed Antibody: (a) with respect to a Patent Right, that, in the absence of a license granted to a Person under an issued claim included in such Patent Right, the practice by such Person of a specified activity with respect to such Licensed Product or Licensed Antibody would infringe such claim, or (b) with respect to an application for Patent Rights, that, in the absence of a license granted to a Person under a claim included in such application, the practice by such Person of a specified activity with respect to such Licensed Product or Licensed Antibody would infringe such claim if such patent application were to issue as a patent.

1.28. "Data Security Breach" has the meaning set forth in Section 9.1(d).

1.29. "Data Sharing Initiative" means GSK's policy initiative (as may be amended from time to time), known at the Effective Date as the "SHARE Initiative," to provide researchers with access to Clinical Data, including anonymized patient level data.

1.30. "Development," "Developing" or "Develop" means non-clinical, pre-clinical, and clinical drug research and development activities, whether before or after Regulatory Approval, including drug metabolism and pharmacokinetics, translational research, toxicology, pharmacology, test method development and stability testing, process and packaging development and improvement, process validation, process scale-up, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, conduct of Clinical Studies, regulatory affairs, the preparation and submission of Regulatory Materials, Clinical Study regulatory activities, and any other activities directed towards obtaining or maintaining Regulatory Approval of any Licensed Product. Development includes use and importation of the relevant Licensed Antibody or Licensed Product to conduct such Development activities.

1.31. "Development Milestone Event" has the meaning set forth in Section 7.1(b).

1.32. "Development Milestone Payment" has the meaning set forth in Section 7.1(b).

1.33. "Distributor" means any Third Party appointed by GSK or any of its Affiliates or its or their Sublicensees to distribute, market and sell Licensed Product, with or without packaging rights, in one or more countries in the Territory, in circumstances where such Third Party purchases its requirements of Licensed Product from GSK or its Affiliates or its or their Sublicensees.

1.34. "Dollars" or "US$" means United States dollars.

1.35. "Effective Date" has the meaning set forth in the preamble.

1.36. "EU" means the European Union, as its membership may be constituted from time to time, and any successor thereto.

1.37. "European Opposition Proceeding" means [***].

1.38. "Existing CMO" means [***].

1.39. "Existing CMO Agreements" means [***].
1.40. "External Costs" means [***].
1.41. "FDA" means the United States Food and Drug Administration or any successor agency thereto.
1.42. "FFDCA" means the Federal Food, Drug and Cosmetic Act under United States Code, Title 21, as amended from time to time, together with any rules, regulations, and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).
1.43. "Field" means any use or purpose, including the treatment, palliation, diagnosis, cure or prevention of any human or animal disease, disorder or condition.
1.44. "First Commercial Sale" means with respect to the Licensed Product in any country in the Territory, the first sale for monetary value for use or consumption by the end user of such Licensed Product in such country after the Regulatory Approval (and Pricing and Reimbursement Approval where relevant) for such Licensed Product has been obtained in such country. First Commercial Sale shall not include any transfer of a Licensed Product (a) between or among GSK and its Affiliates or its or their Sublicensees or (b) for purposes of patient assistance programs, treatment IND sales, named patient sales, compassionate use sales or the like.
1.45. "First Indication" means, on a country-by-country basis, the first Indication for which Regulatory Approval for a Licensed Product in (a) [***], (b) [***] or (c) [***], as applicable, has been filed with, or approved by, the applicable Regulatory Authority.
1.46. "FTE" means the equivalent of a full-time individual's work, performed by one or more individuals, at [***] per year for a twelve-month period, carried out by an appropriately qualified employee of Surface or its Affiliates performing activities pursuant to this Agreement. [***].
1.47. "FTE Rate" means the rate of [***] per one full FTE per Calendar Year, which rate shall be prorated on a daily basis as necessary. [***].
1.48. "GCP" or "Good Clinical Practice" means all applicable then-current standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of Clinical Studies, including, as applicable, (a) as set forth in the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use Harmonised Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) and any other guidelines for good clinical practice for trials on medicinal products, (b) the Declaration of Helsinki (2013) as last amended at the 64th World Medical Association in October 2013 and any further amendments or clarifications

thereto, (c) U.S. Code of Federal Regulations Title 21, Parts 50 (Protection of Human Subjects), 56 (Institutional Review Boards) and 312 (Investigational New Drug Application), and (d) the equivalent applicable Laws in any relevant country, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the Clinical Data and reported results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects.
1.49. "GLP" or "Good Laboratory Practice" means all applicable then-current standards for laboratory activities for pharmaceuticals, as set forth in the FDA's Good Laboratory Practice regulations as defined in 21 C.F.R. Part 58, or the Good Laboratory Practice principles of the Organization for Economic Co-Operation and Development (OECD), and such standards of good laboratory practice as are required by the equivalent applicable Laws in the relevant country and other organizations and Governmental Authorities in countries in which the Licensed Product is intended to be sold by the Party that is subject to such standards.
1.50. "GMP" or "Good Manufacturing Practice" means all applicable then-current standards for Manufacturing, including, as applicable, (a) the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. §§ 201, 211, 600 and 610 and all applicable FDA guidelines and requirements, (b) European Directive 2003/94/EC for medicines and investigational medicines for human use and the applicable guidelines stated in the EudraLex guidelines, (c) the principles detailed in the applicable ICH guidelines, (d) the conduct of an inspection by a Qualified Person (as defined therein) and the execution by such Qualified Person of an appropriate certification of inspection; and (e) the equivalent applicable Laws in any relevant country, each as may be amended and applicable from time to time.

1.51. "Government Official" (where "government" means all levels and subdivisions of governments, i.e. local, regional, national, administrative, legislative, executive, or judicial, and royal or ruling families) means: (a) any officer or employee of a government or any department, agency or instrumentality of a government (which includes public enterprises, and entities owned or controlled by the state); (b) any officer or employee of a public international organization such as the World Bank or United Nations; (c) any officer or employee of a political party, or any candidate for public office; (d) any person defined as a government or public official under applicable local Laws and not already covered by any of the above; and (e) any person acting in an official capacity for or on behalf of any of the above. "Government Official" shall include any person with close family members who are Government Officials (as defined above) with the capacity, actual or perceived, to influence or take official decisions affecting a Party's business.

1.52. "Governmental Authority" means any multinational, federal, national, state, provincial, local or other entity, office, commission, bureau, agency, political subdivision, instrumentality, branch, department, authority, board, court, arbitral or other tribunal, official or officer, exercising executive, judicial, legislative, police, regulatory, administrative or taxing authority or functions of any nature pertaining to government.

1.53. "GSK" has the meaning set forth in the preamble.

1.54. "GSK Indemnified Party" has the meaning set forth in Section 11.1.

1.55. "GSK Patents" has the meaning set forth in Section 8.1(b).

1.56. "GSK Sole Inventions" has the meaning set forth in Section 8.1(b).

1.57. "Human Biological Samples" means any human biological material (including any derivative or progeny thereof), including any portion of an organ, any tissue, skin, bone, muscle, connective tissue, blood, cerebrospinal fluid, cells, gametes, or sub-cellular structures such as DNA, or any derivative of such biological material such as stem cells or cell lines; and any human biological product, including, but not limited to, hair, nail clippings, teeth, urine, feces, breast milk, and sweat.

1.58. "ICH" means the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

1.59. "Incremental Withholding" has the meaning set forth in Section 7.6.

1.60. "IND" means an Investigational New Drug application, clinical trial application or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirement of such Regulatory Authority, and any amendments thereto.

1.61. "IND Acceptance" means, with respect to an IND, the earlier of: (a) receipt by GSK, its Affiliate or a Sublicensee of written confirmation from a Regulatory Authority or other applicable Person that Clinical Studies may proceed under such IND; and (b) expiration of the applicable waiting period after which Clinical Studies may proceed under such IND.

1.62. "Indemnified Party" means a Person entitled to indemnification under ARTICLE XI.

1.63. "Indemnifying Party" means a Party from whom indemnification is sought under ARTICLE XI.

1.64. "Indication" means a disease, disorder or pathological condition for which clinical results for such disease, disorder or pathological condition and a separate Regulatory Approval application or a supplement (or other addition) to a Regulatory Approval application are required for the purpose of obtaining Regulatory Approval in a country or territory. For clarity, (a) moving from one line of therapy to another within an Indication will not be considered to be a new Indication, a non-limiting example of which is moving from second line therapy to first line therapy, (b) a single Indication would include the primary disease, disorder or condition and all variants or sub-divisions or sub-classifications within such primary disease, disorder or condition, and regardless of prophylactic or therapeutic use, pediatric or adult use and irrespective of different formulation(s), dosage forms, dosage strengths, or delivery system(s) used, (c) in cancer, (i) a single Indication means a tumor of a specific organ or a specific hematological malignancy or any discrete form of precursor condition of such tumor or malignancy, and the treatment of any of them, and (ii) a new Indication will require a different tissue of origin (e.g., pancreatic cancer vs endometrial cancer) and will not mean a different line of therapy or combination within the same tumor type; (d) obtaining a label expansion for use of a Licensed Product as a Combination Product or as part of a combination therapy will not be considered to be a new Indication; and (e) the use of a Licensed Product in a biomarker-directed study across a range of tumor types shall be a single Indication based on the applicable biomarker-specified product use for such Licensed Product being studied (e.g. unresectable or metastatic microsatellite instability-high (MSI-H) or mismatch repair deficient (dMMR) solid tumors).

1.65. "Infringement" has the meaning set forth in Section 8.3(a).
1.66. "Infringement Action" has the meaning set forth in Section 8.3(b).
1.67. "Infringement Claim" has the meaning set forth in Section 8.4.
1.68. "Initiation" means, as to a Clinical Study, the date upon which the first patient is dosed in such Clinical Study.
1.69. "Internal Costs" means, [***].
1.70. "JDC" has the meaning set forth in Section 6.1(a).
1.71. "Joint Inventions" has the meaning set forth in Section 8.1(c).
1.72. "Joint Patents" means the Patent Rights Covering the Joint Inventions.
1.73. "Know-How" means all chemical and biological materials and other tangible materials, inventions, practices, methods, protocols, formulae, knowledge, improvements, know-how, trade secrets, quality assurance, quality control, analytical test methods, processes, procedures, assays, skills, experience, techniques, technology, information, data and results of experimentation and testing, including pharmacological, toxicological and pre-clinical and clinical test data and analytical and quality control data, patentable or otherwise.
1.74. "Law" or "Laws" means any applicable federal, state, local, municipal, foreign, or other law, statute, legislation, constitution, principle of common law, code, treaty, ordinance, regulation, rule, or order of any kind whatsoever put into place under the authority of any Governmental Authority, including the FFDCA, PHSA, Prescription Drug Marketing Act, the Generic Drug Enforcement Act of 1992 (21 U.S.C. §335a et seq.), U.S. Patent Act (35 U.S.C. §1 et seq.), Federal Civil False Claims Act (31 U.S.C. §3729 et seq.), and the Anti-Kickback Statute (42 U.S.C. §1320a-7b et seq.), all as amended from time to time, together with any rules, regulations, and compliance guidance promulgated thereunder. "Law" will include the applicable regulations and guidance of the FDA and European Union (and national implementations thereof) that constitute GLP, GMP, and GCP (and, if and as appropriate under the circumstances, ICH guidance or other comparable regulation and guidance of any applicable Governmental Authority).
1.75. "Licensed Antibody" means (a) the antibody SRF813, further described on Exhibit A, and (b) any other Antibody listed on Exhibit A.
1.76. "Licensed Antibody Materials" has the meaning set forth in Section 3.8.
1.77. "Licensed Know-How" means any and all Know-How relating to the Licensed Antibody or Licensed Products that is Controlled by Surface as of the Effective Date or at any time during the Term, in each case, that is necessary or useful to research, Develop, Manufacture, import, export, use, sell or Commercialize the Licensed Antibody or Licensed Products in the Field and in the Territory. For clarity, Licensed Know-How includes Surface Sole Inventions.

1.78. "Licensed Patents" means (a) the issued patents and patent applications listed in Exhibit B attached hereto, plus (i) all divisionals, continuations, continuations-in-part thereof or any other patent rights claiming priority directly or indirectly to any of the issued patents or patent applications identified on Exhibit B, and (ii) all patents issuing on any of the foregoing, together with all registrations, reissues, re-examinations, renewals, supplemental protection certificates and extensions of any of the foregoing, and all foreign counterparts thereof, and (b) any other Patent Rights, existing as of the Effective Date or arising during the Term, Controlled by Surface, that (i) claim the composition, Manufacture or use of the Licensed Antibody(s) (including use as a monotherapy or in combination with other compositions of matter), or (ii) are necessary or useful for the research, Development, Manufacture, import, export, use, sale or Commercialization of any Licensed Antibodies or Licensed Products in the Field in the Territory.

1.79. "Licensed Product" means any pharmaceutical product in final form containing the Licensed Antibody (whether alone as the sole active pharmaceutical ingredient or as a combination with other active pharmaceutical ingredient(s)) in any presentation, formulation or dosage form. For clarification, Licensed Product will include any Combination Product.

1.80. "Licensed Target" means the inhibitory receptor CD112R (also known as Poliovirus receptor-related immunoglobulin domain-containing protein (PVRIG), Nectin-2 Receptor, C7orf15 and MGC2463).

1.81. "Licensed Technology" means collectively, Licensed Patents, Licensed Know-How and Surface's interest in Joint Inventions and Joint Patents.

1.82. "Losses" means damages, losses, liabilities, costs (including costs of investigation and defense), fines, penalties, taxes, expenses, or amounts paid in settlement (in each case, including reasonable attorneys' and experts' fees and expenses), in each case resulting from an Action.

1.83. "Major European Country" means [***].

1.84. "Manufacture" or "Manufacturing" means all activities related to the production of the Licensed Product, including the production of any of the following to the extent used in the Licensed Product: any drug substance produced in bulk form for use as an active pharmaceutical ingredient, drug product, compounded or finished final packaged and labeled form, and in intermediate states, including the following activities: planning, purchasing, reference standard preparation, cell bank preparation, mammalian cell production, purification, formulation, scale-up, packaging, quality assurance oversight, quality control testing (including in-process release and stability testing), testing, release, sample retention, stability testing, storage, shipping, validation activities directly related to all of the foregoing, and data management and recordkeeping related to all of the foregoing. References to a Person engaging in Manufacturing activities will include having any or all of the foregoing activities performed by a Third Party.

1.85. "Net Sales" means gross invoiced sales of Licensed Products to Third Parties by GSK, its Affiliates and its and their Sublicensees, less the following deductions from such gross amounts which are actually incurred, allowed, paid, accrued or specifically allocated to the extent that such amounts are deducted from gross invoiced sales amounts as reported by GSK in its financial statements in accordance with the applicable Accounting Standards:

1.85.1. [***];

1.85.2. [***];

1.85.3. [***];

1.85.4. [***];

1.85.5. [***];

1.85.6. [***]; and

1.85.7. [***].

[***].

1.86. "Non-Breaching Party" has the meaning set forth in Section 13.3(a).

1.87. "Party" means either Surface or GSK; "Parties" means Surface and GSK, collectively.

1.88. "Patent Challenge" has the meaning set forth in Section 13.3(d)(i).

1.89. "Patent Rights" means the rights and interests in and to (a) all patents and patent applications (including provisional applications), including all divisionals, continuations, substitutions, continuations-in-part, re-examinations, re-issues, additions, renewals, extensions, confirmations, registrations, any other pre- or post-grant forms of any of the foregoing, (b) any confirmation patent or registration patent or patent of addition, utility models, patent term extensions, and supplemental protection certificates or requests for continued examinations, foreign counterparts, and the like of any of the foregoing, (c) any and all patents that have issued or in the future issue from the foregoing patent applications, including author certificates, utility models, petty patents, innovation patents and design patents and certificates of invention.

1.90. "Person" means any natural person, corporation, general partnership, limited partnership, joint venture, proprietorship or other business organization or a Governmental Authority.

1.91. "Phase 1 Study" means a Clinical Study of an investigational product in subjects with the primary objective of characterizing its safety, tolerability, and pharmacokinetics and identifying a recommended dose and regimen for future studies as described in 21 C.F.R. 312.21(a), or a comparable Clinical Study prescribed by the relevant Regulatory Authority in a country other than the United States.

1.92. "Phase 2 Study" means a Clinical Study of an investigational product in subjects with the primary objective of characterizing its activity in a specific disease state as well as generating more detailed safety, tolerability, pharmacokinetics, pharmacodynamics, and dose finding information as described in 21 C.F.R. 312.21(b), or a comparable Clinical Study prescribed by the relevant Regulatory Authority in a country other than the United States including a human clinical trial that is also designed to satisfy the requirements of 21 C.F.R. 312.21(a) or corresponding foreign regulations and is subsequently optimized or expanded to satisfy the requirements of 21 C.F.R. 312.21(b) (or corresponding foreign regulations) or otherwise to enable a Phase 3 Study (*e.g.*, a Phase 1 Study/ Phase 2 Study).

1.93. "Phase 3 Study" means a Clinical Study of an investigational product in subjects that incorporates accepted endpoints for confirmation of statistical significance of efficacy and safety with the aim to generate data and results that can be submitted to obtain Regulatory Approval as described in 21 C.F.R. 312.21(c), or a comparable Clinical Study prescribed by the relevant Regulatory Authority in a country other than the United States.

1.94. "Pricing and Reimbursement Approval" means, with respect to the Licensed Product, the governmental approval, agreement, determination or decision establishing the price or level of reimbursement for such Licensed Product, in a given country in the Territory prior to the sale of such Licensed Product in such jurisdiction in the Territory.

1.95. "Prior CDA" means the Confidentiality Agreement executed by the Parties as of July 10, 2020.

1.96. "Products Warranties" has the meaning set forth in Section 10.2(k).

1.97. "Prosecute" or "Prosecution" means in relation to any Patent Rights, (a) to prepare and file patent applications, including re-examinations or re-issues thereof, and represent applicants or assignees before relevant patent offices or other relevant Governmental Authorities during examination, re-examination and re-issue thereof, in appeal processes, interferences, oppositions or any equivalent proceedings, (b) to defend all such applications against Third Party oppositions or other challenges, (c) to secure the grant of any patents arising from such patent application, (d) to maintain in force any issued patent (including through payment of any relevant maintenance fees), and (e) to make all decisions with regard to any of the foregoing activities.

1.98. "Public Health Service Act" or "PHSA" means the United States Public Health Service Act, as amended.

1.99. "Randomized Controlled Study" means, with respect to a Licensed Product, (a) a Phase 2 Study that has been approved or accepted by the applicable Regulatory Authority to be a registrational study sufficient for enabling the filing for Regulatory Approval in the applicable jurisdiction (whether such approval or acceptance occurs prior to Initiation thereof or at a later date on which such Phase 2 Study is amended or supplemented), or (b) a Phase 3 Study of such Licensed Product.

1.100. "Regulatory Approval" means the final or conditional approval of the applicable Regulatory Authority necessary for the marketing and sale of the Licensed Product in the Field in a country(ies), excluding separate Pricing and Reimbursement Approval that may be required.

1.101. "Regulatory Authority" means any multinational, federal, national, state, provincial or local regulatory agency, department, bureau or other Governmental Authority with authority over the Development, Manufacture, or Commercialization of the Licensed Product in a country.

1.102. "Regulatory Exclusivity Period" means, with respect to each Licensed Product in any country in the Territory, a period of exclusivity (other than Patent Rights exclusivity) granted or afforded by applicable Law or by a Regulatory Authority in such country that prevents the approval or marketing of any Biosimilar Product of such Licensed Product in such country, including reference product exclusivity under Section 351(k)(7)(C) of the PHSA and pediatric exclusivity under Section 351(m) of the same and any foreign equivalents.

1.103. "Regulatory Materials" means (a) any regulatory application, submission, notification, communication, correspondence, registration, Regulatory Approvals and other filings made to, received from or otherwise conducted with a Regulatory Authority related to Developing, Manufacturing, obtaining marketing authorization, marketing, selling or otherwise Commercializing a pharmaceutical product in a particular country or jurisdiction, (b) all supplements and amendments to any of the foregoing, and (c) all data, including Clinical Data, and other information contained in any of the foregoing.

1.104. "Royalty Term" has the meaning set forth in Section 7.2(b).

1.105. "Rules" has the meaning set forth in Section 14.3.

1.106. "Sales Milestone Event" has the meaning set forth in Section 7.1(c).

1.107. "Sales Milestone Payment" has the meaning set forth in Section 7.1(c).

1.108. "Second Indication" means on a country-by-country basis, an Indication that is separate and distinct from the First Indication for the same or a different Licensed Product for which an application for Regulatory Approval has been filed with, or approved by, the applicable Regulatory Authority in (a) [***], (b) [***] or (c) [***], as applicable.

1.109. "Senior Officers" means the [***] of Surface and the [***] of GSK, or in each case, his or her designee. If the position of any of the Senior Officers identified in this definition no longer exists due to a corporate reorganization, corporate restructuring or the like that results in the elimination of the identified position, the applicable title of the Senior Officer set forth herein will be replaced with the title of another executive officer with responsibilities and seniority comparable to the eliminated Senior Officer, and the relevant Party will promptly provide notice of such replacement title to the other Party.

1.110. "Sole Inventions" has the meaning set forth in Section 8.1(b).

1.111. "Sublicense" means a grant of rights from GSK to a Sublicensee under any of the rights licensed to GSK by Surface under Section 2.1.

1.112. "Sublicensee" means a Person, other than an Affiliate or a Distributor of GSK, that is granted a sublicense by GSK or its Affiliates to the rights granted to GSK in Section 2.1, as provided in Section 2.3.

1.113. "Surface" has the meaning set forth in the preamble.

1.114. "Surface Indemnified Party" has the meaning set forth in Section 11.1.

1.115. "Surface Sole Inventions" has the meaning set forth in Section 8.1(b).

1.116. "Technical Transition Services" has the meaning set forth in Section 3.2.

1.117. "Term" has the meaning set forth in Section 13.1.

1.118. "Territory" means worldwide.

1.119. "Third Party" means any Person other than a Party or any of its Affiliates.

1.120. "Third Party Claim" has the meaning set forth in Section 11.3(a).

1.121. "Third Party IP" has the meaning set forth in Section 2.7.

1.122. "Third Party Losses" means Losses resulting from an Action by a Third Party.

1.123. "Trademark" means all registered and unregistered trademarks, service marks, trade dress, trade names, logos, insignias, domain names, symbols, designs, and combinations thereof.

1.124. "Transition Costs" means with respect to a Calendar Quarter, the Internal Costs plus the External Costs incurred in connection with the Technical Transition Services for such Calendar Quarter as set forth in the Transition Plan.

1.125. "Transition Period" means the period commencing on the Effective Date and ending upon the date of first IND Acceptance for SRF813 in the Territory. Any extensions of the Transition Period will require the mutual written agreement of both Parties.

1.126. "Transition Plan" has the meaning set forth in Section 3.2.

1.127. "United States" or "U.S." or "US" means the United States and its territories, possessions and commonwealths.

1.128. "Valid Claim" means a claim of any issued, unexpired patent within the Licensed Patents that has not been irrevocably or unappealably disclaimed or abandoned, or been held unenforceable, unpatentable or invalid by a decision of a court or other Governmental Authority of competent jurisdiction and has not been admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise.

1.129. "VAT & Indirect Taxes" means any value added, sales, purchase, turnover or consumption tax as may be applicable in any relevant jurisdiction, including value added tax chargeable under legislation implementing Council Directive 2006/112/EC.

1.130. "Withholding Action" has the meaning set forth in Section 7.6.

ARTICLE II
LICENSE GRANTS; EXCLUSIVITY

Section 2.1. License Grant.

(a) Exclusive License Grant. Subject to the terms and conditions of this Agreement, Surface hereby grants to GSK a non-transferable (except in accordance with Section 15.1), exclusive (even with respect to Surface and its Affiliates, subject to Section 2.2), sublicensable (subject to Section 2.3(a)), royalty-bearing right and license under the Licensed Technology, to Develop, Manufacture and Commercialize Licensed Antibodies and Licensed Products in the Field and in the Territory.

(b) Notwithstanding any other provision of this Agreement, for the purposes of the license grant under this Section 2.1 with respect to any Licensed Product that is a Combination Product, (i) such license will only include a license with respect to the Licensed Antibody contained in such Licensed Product, and (ii) in no event is a license granted hereunder with respect to any Other Component of a Combination Product.

Section 2.2. Retained Surface Rights. Notwithstanding the license granted to GSK pursuant to Section 2.1(a), Surface will retain for itself, and its Affiliates for so long as they remain as Affiliates, the right to practice the Licensed Technology solely to the extent necessary to perform any Technical Transition Services under the Transition Plan and perform other obligations expressly set forth in this Agreement.

Section 2.3. Sublicensing and Subcontracting.

(a) GSK Right to Sublicense. GSK will have the right to grant Sublicenses (through multiple tiers) of the rights granted to GSK pursuant to Section 2.1 as follows: (i) to its Affiliates, provided such Sublicense only remains in effect for as long as such Sublicensee remains an Affiliate of GSK, and (ii) to Third Parties, in each case, subject to the requirements of Section 2.3(b).

(b) Sublicense Requirements. Each Sublicense granted by GSK to a Third Party pursuant to Section 2.3(a) will be in writing and will be subject and subordinate to, and consistent with, the terms and conditions of this Agreement. No Sublicense will diminish, reduce or eliminate any obligation of either Party under this Agreement. GSK will be liable for any act or omission of any Sublicensee that is in breach of any of GSK's obligations under this Agreement as though the same were a breach by GSK, and Surface will have the right to proceed directly against GSK without any obligation to first proceed against such Sublicensee. Each Sublicense will contain the following provisions: (i) a requirement that the Sublicensee comply with all applicable terms of this Agreement, (ii) if such Sublicense contains a right to Commercialize Licensed Products, such Sublicense will also contain the following provisions: (A) a requirement that the Sublicensee submit applicable sales or other reports to GSK to the extent necessary or relevant to the reports required to be made or records required to be maintained under this Agreement, and (B) the audit requirement set forth in Section 7.5, and (iii) provisions whereby GSK obtains, upon termination of such Sublicense, (A) assignment and transfer of ownership and possession of, or a right to reference all Regulatory Materials and Regulatory Approvals Controlled by such Sublicensee that relate to any Licensed Product (which assignment or right of reference may also be provided directly to GSK), and (B) GSK's ownership of, or a fully sublicensable exclusive license under and to, any Know-How and Patent Rights that are developed by the Sublicensee in the

performance of such agreement and are necessary or actually used for the Development, Manufacture or Commercialization of Licensed Products. Any Sublicense granted hereunder that is inconsistent with this Section 2.3(b) will be null and void. GSK will promptly provide Surface with a true and complete copy of any material Sublicense agreement and each material amendment thereto that it enters into with a Third Party after the execution thereof; provided that the financial and any other terms of any such agreement not pertinent to an understanding of a Party's obligations or benefits under this Agreement may be redacted. Each Sublicense granted by GSK to any rights licensed to it hereunder will terminate immediately upon the termination of the license from Surface to GSK with respect to such rights.

Section 2.4. Performance by Independent Contractors. Each Party may contract or delegate any portion of its obligations or activities hereunder to a Third Party contractor subject to the terms and condition of Section 15.8 and provided that, (a) the contractor shall be appropriately qualified to conduct the activities it is engaged to conduct under this Agreement; (b) the contractor undertakes in writing commercially reasonable obligations of confidentiality and non-use regarding Confidential Information, that are substantially the same as those undertaken by the Parties with respect to Confidential Information pursuant to ARTICLE IX hereof; and (c) the contractor undertakes in writing to assign or exclusively license back (with the right to sublicense) all intellectual property that GSK deems to be material to the Development, Manufacture or Commercialization of a Licensed Antibody or Licensed Product developed in the course of performing any such work to the corresponding Party.

Section 2.5. Reservation of Rights. No rights, other than those expressly set forth in this Agreement, are granted to either Party under this Agreement, and no additional rights will be deemed granted to either Party by implication, estoppel or otherwise, with respect to any intellectual property rights. All rights not expressly granted by either Party or its Affiliates to the other Party under this Agreement are reserved. Neither Party nor any of its Affiliates will use or practice any Know-How or Patent Rights licensed or provided to such Party or any of its Affiliates outside the scope of or otherwise not in compliance with the rights and licenses granted to such Party and its Affiliates under this Agreement.

Section 2.6. [***].

Section 2.7. Third Party IP. If Surface or any of its Affiliates enters into any agreement or other arrangement with a Third Party with respect to a grant of rights under any Patent Rights or Know-How of such Third Party (whether by acquisition or by license) that are reasonably useful (but not necessary) for the Development, Manufacture, or Commercialization of the Licensed Antibodies or Licensed Products in the Field in the Territory ("Third Party IP"), Surface shall notify GSK of such Third Party IP. Promptly following the execution of any such agreement, Surface will provide GSK with a copy of the applicable agreement with such Third Party. Within [***] following receipt of such contract, GSK will decide, in its sole discretion, whether or not to [***] and provide Surface written notice of such decision. If GSK desires to [***], (a) GSK shall notify Surface in writing of such election, (b) such [***] under this Agreement and included in [***], (c) [***], and (d) GSK will be [***]. The obligations of Surface set forth above under this Section 2.7 will terminate upon a Change of Control of Surface. For the avoidance of doubt, as between the Parties, it shall be GSK's determination and responsibility to obtain rights to any Patent Rights or Know-How that is necessary for the Development, Manufacture or Commercialization of the Licensed Antibodies in the Field in the Territory. For purposes of this Section 2.7, a Patent Right claiming [***] for a Licensed Antibody or a Licensed Product shall be deemed to be necessary for the Development, Manufacture, or Commercialization of such Licensed Antibody or Licensed Product in the Field in the Territory.

Section 2.8. Exclusivity and Alternative Products.

(a) Surface Exclusivity. During the Term, neither Surface nor any of its Affiliates will directly or indirectly research, develop, manufacture or commercialize, nor collaborate with, enable or otherwise authorize, license or grant any right to any Third Party to research, develop, manufacture or commercialize, any Alternative Product anywhere in the Territory.

(b) Acquisition of Alternative Product Rights. In addition, notwithstanding anything to the contrary in this Agreement, in the event Surface or any of its Affiliates acquires or otherwise obtains rights to research, develop, manufacture or commercialize any Alternative Product as the result of any license, merger, acquisition,

reorganization, consolidation or combination with or of a Third Party other than a Change of Control of Surface or its Affiliates (each, an "Acquisition Transaction," and the Third Party involved in such transaction, the "Acquisition Third Party") and, on the date of the completion of such Acquisition Transaction, such Alternative Product is being researched, developed, manufactured or commercialized by such Third Party in a matter that, if done by Surface, would violate Surface's exclusivity obligations in Section 2.8(a), then Surface or such Affiliate will: [***].

(c) For purposes hereof, "Alternative Product" means [***].

ARTICLE III
TRANSITION MATTERS; TECHNOLOGY TRANSFER

Section 3.1. Technical Transition Services. During the Transition Period, Surface will perform certain transition and research services in connection with the Development and Manufacture of Licensed Antibodies and Licensed Products ("Technical Transition Services"), as more fully detailed in the Transition Plan.

Section 3.2. Transition Plan. The Technical Transition Services will be performed in accordance with the terms of a written plan, which sets forth (a) a description of the Technical Transition Services, (b) the proposed timetable for conducting such Technical Transition Services, (c) the estimated Transition Costs for completion of such Technical Transition Services, and (d) the deliverables (the "Transition Plan," the initial version of which is attached hereto as Exhibit C). Surface will use reasonable efforts to complete the Technical Transition Services set forth in the Transition Plan within the timeframes set forth in the Transition Plan and within the estimated Transition Costs. In the event of any inconsistency between the Transition Plan and this Agreement, the terms of this Agreement will prevail. During the Transition Period, each Party will have the right to propose modifications or amendments to the Transition Plan; provided, however that any modifications or amendments to such Transition Plan that are proposed by either Party will be subject to review by the JDC pursuant to Section 6.1(b) and approved by GSK.

Section 3.3. Technical Transition Services Reporting. At each meeting of the JDC, Surface will provide an update regarding the Technical Transition Services it has performed, or caused to be performed, since the previous meeting of the JDC, its Technical Transition Services in process, and the future Technical Transition Services it expects to initiate prior to the next meeting of the JDC. Surface will respond to the reasonable questions or requests of the JDC or GSK, as applicable, for additional information relating to such Technical Transition Services in a timely manner.

Section 3.4. Technical Transition Services Costs. Within [***] after the end of [***] during the Transition Period, Surface shall submit to GSK an invoice and reasonably detailed report (including FTE hours) and any additional documentation reasonably requested by GSK, setting forth all Transition Costs incurred by Surface during such [***]. Surface shall promptly inform GSK upon Surface determining that it is likely to overspend by more than [***] of the Transition Costs for an activity set forth in the Transition Plan. Any and all portion of such overspend shall be borne by Surface unless otherwise approved by GSK prior to the incurrence thereof. GSK shall reimburse Transition Costs within [***] after receipt of an invoice from Surface.

Section 3.5. Data Integrity Practices. All activities conducted under the Transition Plan will be conducted in accordance with the following practices:

(a) data will be generated using sound scientific techniques and processes;

(b) data will be accurately recorded by the persons performing the applicable Technical Transition Services in accordance with data integrity practices;

(c) data will be analyzed appropriately without bias in accordance with data integrity practices;

(d) data and results from experiments will be stored securely such that it can be retrieved without undue burden; and

(e) data trails will exist to demonstrate or reconstruct without undue burden key decisions made during the performance of, presentations made about, and conclusions reached with respect to the activities undertaken in the performance of the Transition Plan.

GSK may request changes to the requirements set forth above in this Section 3.5 where GSK reasonably believes such changes are required to ensure that such activities are undertaken in compliance with data integrity practices, and Surface shall use reasonable efforts to accommodate such changes. GSK shall be permitted, in its sole discretion and sole cost and expense, no more than once per Calendar Year, to undertake on-site compliance audits of Surface's data integrity practices in respect of the activities performed by Surface under the Transition Plan by providing Surface with [***] written notice of GSK's intent to do so, such audits to be conducted at a time mutually convenient to both Parties. All information revealed to GSK in such audit shall be considered Confidential Information of Surface.

Section 3.6. Animal Welfare. Surface agrees to comply with all applicable Laws for the care, welfare and ethical treatment of animals in the country where the animal studies are being performed. Surface further agrees to comply with the "3Rs" Principles – reducing the number of animals used, replacing animals with non-animal methods whenever possible, and refining the research techniques used. All work must be conducted in adherence to the core principles for animals identified below. Applicable Laws may be additive to the core principles, but Surface agrees to comply, and shall procure and ensure that those acting for or on behalf of Surface (including its subcontractors) comply, at a minimum, with these core principles:

(a) access to species appropriate food and water,

(b) access to species specific housing, including species appropriate temperature and humidity levels,

(c) provision of humane care and a program of veterinary care through guidance of a veterinarian,

(d) animal housing that minimizes the development of abnormal behaviors,

(e) adherence to principles of replacement, refinement and reduction in the design of in vivo or ex vivo studies with processes to optimize animal use and to ensure effective population management,

(f) work using animals is supported by a relevant scientific justification/rationale, approved by an institutional ethical review process and subjected to independent scientific review,

(g) commitment to minimizing pain and distress during in vivo and ex vivo studies, and

(h) work is performed by staff documented as trained and competent to conduct the procedures for which they are responsible.

Upon reasonable advanced written notice, GSK (or its delegate) shall have the right to inspect Surface's or its subcontractor's records and facilities; provided, that if Surface's contracts with its subcontractors do not permit GSK (or its delegate) to so inspect, then GSK may request that Surface conduct such inspection on GSK's behalf. The scope of the inspection may include a tour of the facility, the opportunity to view relevant SOPs, training records, building management records, animal health records, ethical review documents, and any other documents reasonably necessary to assess compliance by Surface or its subcontractor with the terms of this Section 3.6; provided that such inspection shall not extend to those parts of records and facilities which Surface or its subcontractor can demonstrate to be subject to confidentiality arrangements with other programs or customers. To the extent that any significant deficiencies are identified as the result of such inspection, Surface shall endeavor in good faith to take reasonable and practical corrective measures to remedy any such material deficiencies.

Section 3.7. Transfer of Licensed Know-How. Surface will use reasonable efforts to disclose and make available to GSK the Licensed Know-How that exists as of the Effective Date pursuant to and within the timeframes set forth in the Transition Plan. Following the Transition Period, Surface will use reasonable efforts to disclose and make available to GSK any additional Licensed Know-How of which Surface or GSK become aware, and respond to any requests by GSK for additional Licensed Know-How Controlled by Surface relating to the Development and Manufacture of the Licensed Antibodies and Licensed Products. Surface will be permitted to make such Licensed Know-How available in such form as Surface will determine, including, if Surface so elects, in the form such Licensed Know-How is maintained by Surface. GSK will bear all Third Party expenses in connection with the transfer of Licensed Know-How after the Transition Period.

Section 3.8. Transfer of Licensed Antibodies. Surface will deliver, at Surface's cost and expense, research grade Licensed Antibodies as described in the Transition Plan (the "Licensed Antibody Materials") EXW (Incoterms 2020) to GSK pursuant to and within the timeframes set forth in the Transition Plan. Title and risk of loss of such Licensed Antibody Materials will transfer upon delivery as defined in the Transition Plan. GSK will only use the Licensed Antibody Materials for the Development performed by or on behalf of GSK for the Licensed Antibodies and Licensed Products; provided that, GSK will not use such Licensed Antibody Materials in research testing involving human subjects. The Licensed Antibody Materials are experimental in nature and are provided "AS IS," without any warranties as to merchantability or fitness for a particular purpose. GSK further acknowledges that the Licensed Antibody Materials' properties or characteristics are not known, and GSK agrees that GSK will use such Licensed Antibody Materials with reasonable care and will assume responsibility for any losses or injuries incurred by it or its Affiliates or its or their Sublicensees through use of such Licensed Antibody Materials.

ARTICLE IV
DEVELOPMENT

Section 4.1. Development Diligence; Development Responsibilities.

(a) Development Diligence. GSK (directly, or through its Affiliates, its or their Sublicensees and subcontractors) will use Commercially Reasonable Efforts to Develop, including obtain and maintain Regulatory Approval of Licensed Products in the Field in the Territory.

(b) Development Responsibilities and Compliance. Subject to the terms and conditions of this Agreement, GSK will be solely responsible, at its own expense, for managing and conducting all activities relating to the Development of the Licensed Antibody and Licensed Product for the purpose of obtaining Regulatory Approval in the Field and in the Territory. GSK will conduct its Development activities in good scientific manner and in compliance with applicable Law, including Laws regarding environmental, safety and industrial hygiene, and GLP, GCP, current standards for pharmacovigilance practice, and all applicable requirements relating to the protection of human subjects, as well as GSK's applicable internal policies and codes of practice.

Section 4.2. Development Reporting. No later than [***] during the Term for so long as GSK is conducting the Development, GSK will provide Surface, via the Alliance Managers pursuant to Section 6.1(f), with reasonably detailed written reports summarizing the material Development activities it has performed, or caused to be performed, since the preceding report, its material Development activities in process, and the future material Development activities it expects to initiate prior to the next report. GSK will respond to the reasonable questions or requests of the JDC or Surface, as applicable, for additional information relating to such activities in a timely manner. In addition, upon Surface's request, no more than [***] per [***], GSK's senior executives responsible for the Development and related Manufacturing activities with respect to the Licensed Products will meet with Surface's senior executives to discuss GSK's or its Affiliates' or its or their Sublicensees' Development and related Manufacturing activities for such Licensed Product.

Section 4.3. Regulatory Submissions and Approvals.

(a) Regulatory Responsibilities.

(i) GSK will be responsible, at its sole cost and expense, for exercising Commercially Reasonable Efforts to seek and attempt to obtain Regulatory Approvals for the Licensed Products in the Field in the Territory. GSK will be responsible for and have the exclusive right to seek and attempt to obtain Pricing and Reimbursement Approvals for the Licensed Products in the Field in the Territory.

(ii) During the Transition Period, to the extent set forth in the Transition Plan, Surface shall be responsible for the preparation of the Chemistry, Manufacturing and Control (CMC) section of the IND application for the Licensed Product, which section shall be in form and substance reasonably satisfactory to GSK. Surface shall deliver such CMC section to GSK in accordance with the Transition Plan. Following the end of the Transition Period, Surface shall cooperate and support GSK, [***] as may be reasonably requested by GSK during the Term, in preparing and submitting Regulatory Materials and otherwise with respect to the CMC section of the IND applications.

(b) Ownership of Regulatory Approvals. GSK will own all Regulatory Materials, including all submissions and applications for Regulatory Approvals, and Regulatory Approvals, for the Licensed Products in the Field in the Territory.

(c) Regulatory Cooperation. GSK will keep Surface reasonably informed with regard to any material Regulatory Approval or Pricing and Reimbursement Approval proceedings for the Licensed Products in the Field in the Territory in accordance with its reporting obligation set forth in Section 4.2. At Surface's reasonable request, [***]. Surface shall cooperate and support GSK [***], as may be reasonably necessary in preparing and submitting Regulatory Materials and otherwise with respect to obtaining Regulatory Approvals for the Licensed Product and in the activities in support thereof, to the extent Surface has control over or the right to obtain documents or other materials that are necessary or useful for GSK or any of its Affiliates or its or their Sublicensees to obtain Regulatory Approvals for the Licensed Product.

(d) Regulatory Audits. The Parties will cooperate in good faith with respect to Regulatory Authority inspections of any site or facility of the Existing CMO where Manufacturing of Licensed Products in the Field are conducted pursuant to this Agreement (each an "Audited Site"). Subject to applicable Law, GSK will be given a reasonable opportunity to attend any inspection by any Regulatory Authority of the Audited Sites, and the summary, or wrap-up, meeting with a Regulatory Authority at the conclusion of such inspection. If such attendance would result in the disclosure to GSK of Confidential Information unrelated to the subject matter of this Agreement, the Parties will enter into a confidentiality agreement covering such unrelated subject matter. In the event that any Audited Site is found to be non-

compliant with one or more GMP standards, Surface will submit to GSK a proposed recovery plan or Corrective and Preventative Actions ("CAPA") as soon as reasonably practicable after Surface, its Affiliate or its permitted subcontractor receives notification of such non-compliance from the relevant Regulatory Authority and Surface will use reasonable efforts, at Surface's cost, to implement such recovery plan or CAPA promptly after submission. Surface agrees, to the maximum extent reasonably possible, to include in any contract or other written arrangement with its permitted subcontractors, a clause permitting GSK to exercise its rights under this Section 4.3(d). Surface's obligations under this Section 4.3(d) will end at the time Surface is no longer performing the activities set forth in Section 5.1(a).

ARTICLE V
MANUFACTURE, SUPPLY AND COMMERCIALIZATION

Section 5.1. Manufacturing and Supply.

(a) Surface Obligations. Surface, its Affiliates, or its or their Sublicensees or subcontractors (including the Existing CMO) will be solely responsible, at GSK's cost and expense, for Manufacturing and supplying the worldwide requirements for Licensed Antibodies and Licensed Products in the Territory (i) as part of the Technical Transition Services, and (ii) through to the date of IND Acceptance.

(b) GSK Obligations. Subject to the preceding sentence, GSK, its Affiliates, its or their Sublicensees or subcontractors will be solely responsible, at its sole cost and expense, for Manufacturing and supplying the worldwide requirements for the Development and Commercialization of the Licensed Antibodies and the Licensed Products in the Territory, except for such Manufacturing activities performed by Surface as part of the Technical Transition Services.

(c) Product Warranties. Surface shall Manufacture and supply Licensed Antibodies and Licensed Products in accordance with the Product Warranties set forth in Section 10.2(k), to the extent such warranties exist in Surface's agreement with the Existing CMO.

(d) Delivery. The Parties will cooperate to ensure that the production schedule for Licensed Antibody or Licensed Product will meet the delivery dates or timelines in the Transition Plan. Surface shall further ensure that for any supply to be delivered to GSK, its Manufacturing subcontractors deliver each shipment of the Licensed Antibody and the Licensed Product, as the case may be, on time and to the location designated by GSK, subject to the terms and conditions of Surface's agreement with the Existing CMO.

(e) Quality. As between GSK and Surface, Surface shall be responsible to manage all quality aspects of Manufacturing and supply performed by its subcontractors, provided that GSK shall be permitted to have a consultancy role as set forth in this Section 5.1(e), subject to the terms and conditions of Surface's agreement with the Existing CMO. GSK's consultancy role shall include, but not be limited to: [***]. In any event, Surface will notify GSK as soon as it becomes aware of any issue (foreseen or unforeseen) which may result in Surface being unable to provide the required quantities of Licensed Antibody or Licensed Product, and the Parties shall promptly meet to discuss in good faith what actions are required (if any) to resolve such issue.

Section 5.2. Commercialization.

(a) Commercialization Diligence. Upon receipt of the Regulatory Approval for a Licensed Product in the Field in a given country in the Territory, GSK (directly, or through its Affiliates, its or their Sublicensees or subcontractors) will use Commercially Reasonable Efforts to Commercialize such Licensed Product in the Field in such country in the Territory. GSK will be solely responsible for, at its expense, and will have sole discretion with respect to, Commercializing the Licensed Product in the Field in the Territory.

(b) Reporting Obligations. GSK will provide Surface with written notice of the First Commercial Sale of each Licensed Product in the Field in [***] as soon as reasonably practicable after such event.

(c) Trademarks. GSK will have the right to brand the Licensed Products in the Field in the Territory using GSK related Trademarks and any other Trademarks and trade names it determines appropriate for the Licensed Products, which branding may vary by country. GSK will own all rights in such Trademarks and register and maintain such Trademarks in the countries within the Territory, where and how it determines appropriate.

ARTICLE VI
GOVERNANCE; JOINT DEVELOPMENT COMMITTEE; JOINT PATENT COMMITTEE

Section 6.1. Joint Development Committee.

(a) Formation; Purposes and Principles. Within [***] after the Effective Date, Surface and GSK will form a joint development committee (the "JDC") to facilitate information sharing between the Parties with respect to the Development of the Licensed Products as more fully described in Section 3.3, Section 4.2 and Section 6.1(b).

(b) Specific Responsibilities. In addition to its overall responsibility to facilitate information sharing between the Parties with respect to the Development activities under this Agreement, the JDC will:

(i) review and discuss proposed amendments or revisions to the Transition Plan (for clarity, GSK shall have the final decision making authority to approve the Transition Plan as described in Section 3.2; provided that any amendment or revision to add additional material obligations that are not set forth in the Transition Plan will require Surface's consent);

(ii) exchange information with respect to the Technical Transition Services, and review and discuss Surface's activities and progress under the Transition Plan; and

(iii) perform such other functions as are assigned to it in this Agreement or as appropriate to further the purposes of this Agreement to the extent agreed to in writing by the Parties.

(c) Membership. The JDC will be composed of a total of [***] representatives of each Party, which will be appointed by each of Surface and GSK, respectively. Each individual appointed by a Party as a representative to the JDC will be an employee of such Party with sufficient seniority within the applicable Party to provide meaningful input and make decisions arising within the scope of the JDC's responsibilities, and have knowledge and expertise in the Development of compounds and products similar to the Licensed Antibody and Licensed Products under this Agreement. The JDC may change its size from time to time by consent of its members, provided that the JDC will consist at all times of an equal number of representatives of each Party, unless otherwise agreed by the Parties in writing. Each Party may replace any of its JDC representatives at any time upon written notice to the other Party, which notice may be given by e-mail, sent to the other Party. The JDC will be chaired by one designated representative of GSK. The chairperson will be responsible, with support from the Alliance Manager, for calling and

conducting meetings and preparing and circulating an agenda in advance of each meeting; provided, however, that the chairperson will include any agenda items proposed by either Party on such agenda. The minutes of each JDC meeting that reflect the material decisions made and action items identified at such meetings will be prepared and reviewed in accordance with the procedures established by the JDC. If a representative, within such time period, does not notify the responsible Alliance Manager that he/she does not approve of the minutes, the minutes will be deemed to have been approved by such representative. Each JDC representative and the Alliance Manager will be subject to confidentiality obligations no less stringent than those in ARTICLE IX.

(d) Meetings. The JDC will hold [***] meetings for so long as the JDC exists, unless the Parties mutually agree in writing to a different frequency. No later than [***] prior to any meeting of the JDC (or such shorter time period as the Parties may agree), the chairperson (or an Alliance Manager) will prepare and circulate an agenda for such meeting. Either Party may also call a special meeting of the JDC by providing at least [***] prior written notice to the other Party if such Party reasonably believes that a significant matter must be addressed prior to the next scheduled meeting, in which event the Alliance Managers will work with the chairperson of the JDC to provide the members of the JDC no later than [***] prior to the special meeting with an agenda for the meeting and materials reasonably adequate to enable an informed decision on the matters to be considered. The JDC may meet in person or by audio or video conference as its representatives may mutually agree. Other representatives of the Parties, their Affiliates and Third Parties involved in the Development of Licensed Products may be invited by the members of the JDC to attend meetings as observers or to facilitate discussions outside of meetings; provided, however, that such representatives are subject to confidentiality obligations no less stringent than those set forth in ARTICLE IX. Each Party will be responsible for its costs to attend each meeting of the JDC.

(e) JDC Decisions. Other than as set forth herein, in order to make any decision required of it hereunder with respect to any approval, the JDC must have present (in person, by videoconference or telephonically) at least one member of each Party. The Parties will endeavor to make decisions of the JDC by consensus; provided that GSK will have the tie-breaking vote in the event of any dispute; provided, further, that no decision by GSK may be in conflict with any of the terms of this Agreement (including by amending or increasing any obligations on Surface or any of its Affiliates (other than those set forth in the Transition Plan, which is subject to Surface's right to consent under Section 6.1(b)(i)) or by granting any licenses or other rights to GSK or any of its Affiliates that, in each case, are not expressly set forth in this Agreement).

(f) Disbanding of JDC. Unless otherwise agreed by the Parties, the JDC will have no further responsibilities and will disband at the end of the Transition Period.

(g) Limitations on Authority of the JDC. Except as otherwise provided in this Agreement, the JDC will have solely the roles and responsibilities assigned to it in this ARTICLE VI. The JDC will have no authority to amend, modify or waive compliance with this Agreement or make any decision other that those specifically assigned under this Agreement to be made by the JDC. The JDC shall not have the authority to alter, or waive compliance by a Party with, a Party's obligations under this Agreement.

Section 6.2. Joint Patent Committee.

(a) Formation; Purposes and Principles. Within [***] after the Effective Date, Surface and GSK will form a joint patent committee (the "JPC") to (i) facilitate information sharing between the Parties with respect to the Prosecution of the Licensed Patents, and the Joint Patents, (ii) review and comment on filings or responses with respect to the Licensed Patents and Joint Patents as and if required under this Agreement, and (iii) any other matters for which the Parties are obligated to cooperate, keep each other informed or otherwise communicate under Article VIII; provided that GSK shall have the final decision making authority.

(b) JPC Decisions. Other than as set forth herein, in order to make any decision required of it hereunder, the JPC must have present (in person, by videoconference or telephonically) at least one member of each Party. The Parties will endeavor to make decisions of the JPC by consensus; provided that GSK will have the tie-breaking vote in the event of any dispute; provided, further, that no decision by GSK may be in conflict with any of the terms of this Agreement (including by amending or increasing any obligations on Surface or any of its Affiliates or by granting any licenses or other rights to GSK or any of its Affiliates that, in each case, are not expressly set forth in this Agreement).

(c) Disbanding of JPC. Unless otherwise agreed by the Parties, the JPC will have no further responsibilities and will disband at the end of the Term.

(d) Limitations on Authority of the JPC. Except as otherwise provided in this Agreement, the JPC will have solely the roles and responsibilities assigned to it in this ARTICLE VI. The JPC will have no authority to amend, modify or waive compliance with this Agreement or make any decision other that those specifically assigned under this Agreement to be made by the JPC. The JPC shall not have the authority to alter, or waive compliance by a Party with, a Party's obligations under this Agreement.

Section 6.3. Alliance Managers. Promptly after the Effective Date, each Party shall appoint an individual to act as alliance manager for such Party (each, an "Alliance Manager"). Each Alliance Manager shall attend meetings of the JDC as a non-voting observer. The Alliance Managers shall be the primary point of contact for the Parties regarding communications contemplated by this Agreement, whether formal reporting obligations or otherwise, including after disbanding of the JDC. The Alliance Managers shall also be responsible for assisting the JDC in performing its responsibilities such as scheduling meetings, circulating agendas as necessary and preparing and finalizing the minutes from meetings of the JDC. Each Party may replace its Alliance Manager, in its sole discretion, from time to time, upon notification to the other Party, which notice may be given by e-mail, sent to the other Party.

ARTICLE VII
FINANCIAL PROVISIONS

Section 7.1. Upfront Payment; Milestone Payments.

(a) Upfront Payment. Subject to the terms and conditions of this Agreement, and in partial consideration for the rights granted to GSK under this Agreement, GSK will pay Surface a non-refundable, non-creditable payment in the amount of Eighty-Five Million U.S. Dollars (US$ 85,000,000), which upfront payment will be due and payable to Surface within [***] Business Days following receipt of an invoice from Surface for such payment on or after the Effective Date.

(b) Development Milestone Payment. During the Term, GSK will notify Surface in writing of the achievement by or on behalf of GSK, its Affiliates or its or their Sublicensees of any milestone event set forth in this Section 7.1(b) (each, a "Development Milestone Event") within [***] after the occurrence thereof. After receipt of such notice, Surface will submit an invoice to GSK for the corresponding non-refundable, non-creditable milestone payment set forth in the tables below (each, a "Development Milestone Payment"). GSK will make the corresponding Development Milestone Payment by [***] from GSK's receipt of an invoice, in accordance with GSK's standard payment terms. Each of the Development Milestone Payments set forth in this Section 7.1(b) is payable only one time upon the first achievement of the corresponding Development Milestone Event by the first Licensed Product to achieve such Development Milestone Event and no amounts shall be due for subsequent or repeated achievements of such Development Milestone Event, whether for the same or a different Licensed Product.

Development Milestone Event	Development Milestone Payment (in Dollars)
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]
5. [***]	[***]
6. [***]	[***]
7. [***]	[***]
8. [***]	[***]
9. [***]	[***]
Total	**$ 245,000,000**

Notwithstanding anything to the contrary set forth herein, [***]. The maximum aggregate amount of Development Milestone Payments payable by GSK pursuant to this Section 7.1(b) is Two Hundred Forty-Five Million U.S. Dollars ($245,000,000).

(c) Sales Milestone Payments. During the Term, GSK will notify Surface in writing of the achievement by or on behalf of GSK, its Affiliates or its or their Sublicensees of any milestone event set forth in this Section 7.1(c) (each, a "Sales Milestone Event" and the corresponding payment, a "Sales Milestone Payment") within [***] after becoming aware of the occurrence thereof. Each of the Sales Milestone Payments set forth in this Section 7.1(c) is payable only upon the first achievement of such Sales Milestone Event and none of the Sales Milestone Payments will be payable more than once and no amounts shall be due for subsequent or repeated achievements of such Sales Milestone Event, whether for the same or a different Licensed Product. For clarity, but subject to the following sentence, the Sales Milestone Payments will be additive such that if all [***] Sales Milestone Events set forth below are achieved in the same Calendar Year, GSK will pay to Surface a payment of Four Hundred Eighty-Five Million Dollars ($485,000,000), and the maximum aggregate amount of Sales Milestone Payments payable by GSK pursuant to this Section 7.1(c) is Four Hundred Eighty-Five Million Dollars ($485,000,000). [***]. After receipt of any notice under this Section 7.1(c) regarding achievement of a Sales Milestone Event [***], Surface will submit an invoice to GSK for the corresponding non-refundable, non-creditable Sales Milestone Payment [***]. GSK will make the corresponding Sales Milestone Payment [***] by [***] from GSK's receipt of an invoice, in accordance with GSK's standard payment terms.

Sales Milestone Event	**Sales Milestone Payment (in Dollars)**
1. Aggregate annual Net Sales of all Licensed Products in the Territory in a Calendar Year greater than [***]	[***]
2. Aggregate annual Net Sales of all Licensed Products in the Territory in a Calendar Year greater than [***]	[***]
3. Aggregate annual Net Sales of all Licensed Products in the Territory in a Calendar Year greater than [***]	[***]
4. Aggregate annual Net Sales of all Licensed Products in the Territory in a Calendar Year greater than [***]	[***]
Total	**$ 485,000,000**

Section 7.2. Royalties.

(a) Royalty Rate. Subject to the terms and conditions of this Agreement, and in partial consideration for the rights granted to GSK under this Agreement, during the Royalty Term, GSK will pay to Surface non-refundable, non-creditable royalties (except in the case of an overpayment as set forth in Section 7.5(b)) at the graduated royalty rates specified in the following table with respect to the aggregate annual worldwide Net Sales of all Licensed Products across all indications in the Territory in a given Calendar Year:

Aggregate Annual Worldwide Net Sales of All Licensed Products in a Calendar Year	**Royalty Rate**
Portion of aggregate annual worldwide Net Sales up to and including [***]	[***] percent ([***]%)
Portion of aggregate annual worldwide Net Sales greater than [***] up to and including [***]	[***] percent ([***]%)
Portion of aggregate annual worldwide Net Sales greater than [***] up to and including [***]	[***] percent ([***]%)
Portion of aggregate annual worldwide Net Sales greater than [***]	[***] percent ([***]%)

(b) Royalty Term. Royalties will be due under this Section 7.2 with respect to a given Licensed Product in a given country in the Territory during the period commencing upon the First Commercial Sale of such Licensed Product in such country and ending upon the later of (i) the expiration of the last-to-expire Valid Claim that Covers the composition of matter or approved method of use of such Licensed Product or the Licensed Antibody contained in such Licensed Product in such country, (ii) the expiration of the Regulatory Exclusivity Period with respect to such Licensed Product in such country, or (iii) the tenth (10th) anniversary of the First Commercial Sale of such Licensed Product in such country (such period, the "Royalty Term"). For clarity, once the Royalty Term has expired in a given country in the Territory, Net Sales in such country will not be included in the calculation of the aggregate annual worldwide Net Sales used to determine the royalty rate.

Section 7.3. Royalty Payments and Reports. Within [***] after the end of each Calendar Quarter, commencing with the Calendar Quarter during which the First Commercial Sale of a Licensed Product is made anywhere in the Territory, GSK will provide to Surface a report setting forth on a Licensed Product–by–Licensed Product and country-by-country basis (a) the Net Sales; and (b) the calculation of the royalties payable under this Agreement on account of those Net Sales. Each royalty report along with the royalties shown to have accrued on that report are due and payable to Surface within [***] following the end of such Calendar Quarter. All payments due under this Section 7.3 shall be made by bank wire transfer in immediately available funds to an account designated by Surface.

Section 7.4. Royalty Payment Reductions. The royalties payable under Section 7.2 will be subject to the following:

(a) Third Party Licenses. If GSK enters into a license agreement after the Effective Date with a Third Party for the right to use or Commercialize a Licensed Product under intellectual property controlled by such Third Party, pursuant to which GSK pays a royalty to such Third Party for the right to use or Commercialize such Licensed Product under such Patent Rights, then, subject to Section 7.4(e), GSK may deduct [***] of all upfront payment, milestone payments, and royalty payments paid to such Third Party to the extent attributable to the use or Commercialization of such Licensed Product against the royalties due under Section 7.2; provided that GSK shall have the right to carry forward for application against royalties payable to Surface with respect to Net Sales of such Licensed Product in future periods any amount that is not so credited due to the limitation in Section 7.4(e).

(b) [***].

(c) Lack of Patent Protection. Subject to Section 7.4(e) the royalties payable to Surface with respect to Net Sales of Licensed Products shall be reduced, on a Licensed Product–by–Licensed Product and country-by-country basis, to [***] of the amounts otherwise payable pursuant to Section 7.2 during any portion of the Royalty Term upon expiration of the last-to-expire Valid Patent Claim Covering the composition of matter or method of use of the applicable Licensed Product in that country.

(d) Biosimilar Competition. If, on a Licensed Product-by-Licensed Product and country-by-country basis, at least one Biosimilar Product is commercially available with respect to such Licensed Product in such country and the combined market share for all such Biosimilar Products [***]. Unit volume sales will be identified and calculated based on relevant information published by IQVIA, any successor to IQVIA, or any other similar industry-standard Third Party source used by GSK.

(e) Cumulative Deductions. Notwithstanding the foregoing, in no event will the deductions set forth in Section 7.4(a) through Section 7.4(d) reduce the royalties otherwise payable to Surface as specified in Section 7.2(a) by more than [***].

Section 7.5. Financial Audits.

(a) Record Keeping. GSK and its Affiliates will, and will cause their respective Sublicensees to, keep complete, true and accurate books and records in accordance with its Accounting Standards of the items underlying (i) Net Sales, (ii) royalty payments under this Agreement and (iii) [***]. GSK and its Affiliates will, and will cause their respective Sublicensees to keep, such books and records for at least [***] following the Calendar Quarter to which they pertain. Surface [***] will have the right annually, at its own expense, to have an internationally-recognized independent, certified public accountant, selected by Surface [***] and reasonably acceptable to GSK (the "Auditor"), review any such records of GSK in the location(s) where such records are customarily maintained by GSK upon at least [***] prior written notice, during regular business hours and under obligations of confidentiality,

except to the extent necessary to enforce Surface's rights under this Agreement [***] or if disclosure is required by applicable Law, for the sole purpose of verifying the basis and accuracy of payments made under this Agreement and

the content of the reports described in Section 7.3, within the prior [***] period after receipt of such report. The Auditor will have the right to disclose to Surface ([***] its conclusions regarding any payment owed under this Agreement. The records for any Calendar Year may be audited no more than once with respect to records covering any specific period of time.

(b) Audit Report. The report prepared by the Auditor, a copy of which will be sent or otherwise provided to each Party by such Auditor at the same time before such report is considered final, will contain the conclusions of such Auditor regarding the audit and will specify that the amounts paid pursuant thereto were correct or, if incorrect, the amount of any underpayment or overpayment, and the specific details regarding any discrepancies. No other information will be provided to Surface without the prior consent of GSK unless disclosure is required by applicable Laws, and if so determined by Surface in consultation with GSK, it will, if permitted, give GSK prior notice thereof to the extent possible for GSK to seek a protective order against or limiting such disclosure. If such report shows any underpayment, then GSK will remit to Surface, within [***] after receipt of such report, (i) the amount of such underpayment and (ii) if such underpayment exceeds [***] of the total amount owed for the period then being audited, the actual costs incurred by Surface in conducting such review. For the avoidance of doubt, payment of the underpayment will be considered a late payment, subject to Section 7.9. If such report shows any overpayment, then at Surface's election, either GSK will deduct the overpaid amount for application against future payments owed to Surface or Surface will reimburse GSK the amount of such overpayment. The Parties mutually agree that all information subject to review under this Section 7.5 is Confidential Information of both Parties and that the receiving Party will retain and cause the Auditor to retain all such information in confidence in accordance with confidentiality and non-use obligations no less stringent than those contained in ARTICLE IX.

Section 7.6. Tax Withholding. Any tax paid or required to be withheld by GSK under applicable Laws in effect at the time of payment for the benefit of Surface on account of any royalties or other payments payable to Surface under this Agreement shall be deducted from the amount of royalties or other payments otherwise due. The Parties shall reasonably cooperate with one another to reduce or minimize any such deduction or withholding required by applicable Laws, including by providing any forms or other certifications necessary to reduce the amount of such withholding (i.e. including duly completed IRS Form W-9 or applicable IRS Form W-8). If, in accordance with the foregoing, GSK withholds any amount, then it will pay to Surface the balance when due, timely remit to the proper taxing authority the withheld amount, and send Surface proof of such remittance within [***] following Surface's request for such proof of remittance. Notwithstanding the foregoing, GSK shall assume the responsibility for, and increase the amount payable hereunder such that Surface receives the amount it would have received but for, any Incremental Withholding (as defined below) in the event that such Incremental Withholding arises as a result of any Withholding Action by or on behalf of GSK. For purposes of this Section, "Withholding Action" by or on behalf of GSK means any action taken by GSK that would directly result in any additional withholding or reduction from payments made hereunder (any such amount withheld or deducted, an "Incremental Withholding", which would not have resulted absent GSK taking, or causing to be taken, such action).

Section 7.7. VAT and Indirect Taxes. All amounts payable under or in connection with this Agreement are exclusive of VAT & Indirect Taxes. Any VAT & Indirect Taxes payable on the consideration shall be paid at the same time as the payment or provision of the consideration to which it relates, subject to the production of a VAT invoice. GSK will provide to Surface within [***] after the earlier of the Effective Date and receipt of any consideration or a valid VAT invoice, if appropriate. If such amounts of VAT & Indirect Taxes are refunded subsequently by the fiscal authorities to GSK, GSK will refund these monies to Surface within [***] of receipt.

Section 7.8. Currency of Payments. All amounts payable and calculations under this Agreement will be in Dollars. As applicable, Net Sales and any royalty reductions will be calculated using GSK's standard conversion method consistent with its applicable Accounting Standards in a manner consistent with GSK's customary and usual conversion procedures used in preparing its financial statements applied on a consistent basis, provided that such procedures use a widely accepted source of published exchange rates, which as of the Effective Date is

Reuters/Bloomberg. All payments under this Agreement will be paid in Dollars by wire transfer to an account designated by the receiving Party (which account the receiving Party may update from time to time in writing).

Section 7.9. Late Payments. Without limiting any other rights or remedies available to Surface hereunder, any undisputed late payment or portion thereof by GSK will bear interest, to the extent permitted by Laws, at an annual rate of [***] above the applicable daily rate published in the Wall Street Journal (or any other qualified source that is acceptable to both Parties) on the date payment was due or the highest rate permitted by law (whichever is lower), computed from the date such payment was due until the date GSK makes the payment. Where the late payment is caused by Surface, including for reasons such as failure to communicate in a timely manner changes to bank details, or failure to respond to communications from GSK regarding the interpretation or dispute of the terms of such payment, then no interest will be payable by GSK.

Section 7.10. Invoices. To the extent an invoice is required to be submitted to GSK under this Agreement, such invoice shall include the information set forth on Schedule 7.10.

Section 7.11. [***].

ARTICLE VIII
INTELLECTUAL PROPERTY OWNERSHIP, PROTECTION AND RELATED MATTERS

Section 8.1. Ownership.

(a) Subject only to the rights expressly granted to GSK under this Agreement, Surface will retain all rights, title and interests in and to the Licensed Patents and Licensed Know-How.

(b) As between the Parties, each Party will own all inventions and Know-How conceived, discovered, developed or otherwise made, as necessary to establish authorship (in case of publication and other copyrightable work), inventorship (in case of inventions, whether patentable or not) or ownership under applicable Law, solely by or on behalf of such Party (or its Affiliates, its or their subcontractors or sublicensees (including Sublicensees) or its or their respective directors, officers, employees or agents) in the course of conducting such Party's activities or exercising such Party's rights under this Agreement, and any and all Patent Rights and other intellectual property rights thereto (collectively, "Sole Inventions" and with respect to GSK, "GSK Sole Inventions" and with respect to Surface, "Surface Sole Inventions"). All Patent Rights claiming patentable GSK Sole Inventions will be referred to herein as "GSK Patents." All Patent Rights claiming patentable Surface Sole Inventions will be considered Licensed Patents.

(c) As between the Parties, each Party will own an equal, undivided interest in all inventions and Know-How that are conceived, discovered, developed or otherwise made, as necessary to establish authorship (in case of publication and other copyrightable work), inventorship (in case of inventions, whether patentable or not) or ownership under applicable Law, jointly by or on behalf of each Party (or their respective Affiliates, subcontractors or sublicensees (including Sublicensees) or its or their respective directors, officers, employees or agents) in the course of performing activities or exercising rights

under this Agreement, whether or not patentable (collectively, "Joint Inventions"), and any and all Joint Patents and other intellectual property rights thereto. Each Party will have full rights to license, assign and exploit such Party's interest in such Joint Inventions (and any Joint Patents arising therefrom) anywhere in the world, without any requirement of gaining the consent of, or accounting to, the other Party, subject to the licenses granted herein and subject to any other intellectual property held by such other Party. Each Party will promptly disclose to the other via the JPC all Joint Inventions, in each case, including all invention disclosures or other similar documents submitted to such Party by its, or its Affiliates' subcontractors or sublicensees (including Sublicensees') or its or their directors, officers, employees or agents, describing such Joint Inventions.

(d) Assignment Obligation. Each Party will assign its rights, and cause all employees of such Party who perform activities for such Party under this Agreement to be under an obligation to assign their rights, in any Patent Rights

and Know-How, whether or not patentable, resulting therefrom to such Party to effectuate the terms and conditions set forth in this Section 8.1. With respect to any activities of a Party under this Agreement that are subcontracted to a Person that is not an employee, the Party retaining such subcontractor will include in the applicable subcontract an assignment to such Party of all rights in Patent Rights and Know-How made by such subcontractor resulting from such activities, and in any event will include in the applicable subcontract a license to such Party that is sublicensable to the other Party under this Agreement, of any Patent Rights and Know-How made by such subcontractor resulting from such activities.

(e) Inventorship. Inventorship for inventions made during the course of the performance of this Agreement will be determined in accordance with United States patent laws for determining inventorship.

Section 8.2. Prosecution and Maintenance of the Licensed Patents.

(a) Prosecution by GSK. As between the Parties, GSK will have the first right, and will use diligent, good faith efforts to Prosecute the Licensed Patents and Joint Patents in the Field in the Territory to the extent relating to the Licensed Antibodies or Licensed Products, at GSK's sole cost and expense through patent counsel or agents of its choice. In addition, GSK shall have the first right to pursue the European Opposition Proceeding, including to submit arguments relating to the European Opposition Proceeding on behalf of Surface to the European Patent Office, at GSK's sole cost and expense through patent counsel or agents of its choice. GSK will keep Surface reasonably informed via the JPC of all steps with regard to and the status of such Prosecution of such Licensed Patents and Joint Patents and the activities in the European Opposition Proceeding, including by providing Surface with (i) copies of all correspondence and material communications it sends to or receives from any patent office or agency in the Territory relating to such Licensed Patents, Joint Patents and European Opposition Proceeding, (ii) a draft copy of all applications and other documents relating to such Licensed Patents, Joint Patents and European Opposition Proceeding sufficiently in advance of filing to permit reasonable review and comment by Surface and giving due consideration to such comments, and (iii) a copy of applications and other documents as filed, together with notice of its filing date and serial number, relating to such Licensed Patents, Joint Patents and European Opposition Proceeding. Before GSK submits any material filing relating to such Licensed Patents or Joint Patents (including a new patent application) or the European Opposition Proceeding, or a response to such patent authorities with respect to such Licensed Patents, Joint Patents or the European Opposition Proceeding, GSK will provide Surface with a reasonable opportunity to review and comment on such filing or response and will take into account and consider in good faith Surface's reasonable and timely requests and suggestions regarding the Prosecution of such Licensed Patents and Joint Patents and the activities in the European Opposition Proceeding under this Section 8.2(a). In addition, GSK will provide Surface with copies of all final material filings and responses made to any patent office with respect to the Licensed Patents, the Joint Patents and the European Opposition Proceeding in a timely manner following submission thereof.

(b) Step-In Right. If GSK elects not to continue to (i) Prosecute a given Patent Right within the Licensed Patents or Joint Patents in the Field in the Territory pursuant to Section 8.2(a) or (ii) pursue the European Opposition Proceeding, then in each case GSK will give Surface notice thereof within a reasonable period (but not less than [***]) prior to allowing such Patent Rights to lapse or become abandoned or unenforceable or prior to any material deadline in the European Opposition Proceeding, and Surface will have the right to Prosecute such Patent Right within the Licensed Patents or Joint Patents, as applicable or pursue the European Opposition Proceeding. Surface will have the right, but not the obligation, to assume responsibility for continuing the Prosecution of such Patent Right in the Field in such country or pursuing the European Opposition Proceeding and paying any required fees, all at Surface's sole expense, through patent counsel or agents of its choice. Upon transfer of GSK's responsibility for Prosecuting any of the Patent Rights within the Licensed Patents or Joint Patents to Surface under this Section 8.2(b), (i) solely with respect to any Patent Right within the Joint Patents, GSK will assign to Surface all of GSK's rights, title, and interests in and to such Patent Right; (ii) such Patent Right will cease to be Licensed Patents or Joint Patents licensed to GSK under this Agreement; (iii) Surface may, in its sole discretion, Prosecute or abandon such Patent Right; and (iv) GSK will promptly deliver to Surface copies of all necessary files related to the Patent Rights with respect to which responsibility has been transferred and will take all actions and execute all documents reasonably necessary for Surface to assume such Prosecution and defense. Upon transfer of GSK's responsibility for pursuing the European Opposition Proceeding under this Section 8.2(b), (i) Surface may, in its sole discretion, pursue or abandon efforts related to the European Opposition Proceeding; and (ii) GSK will promptly deliver to Surface copies of all necessary files related to the European Opposition Proceeding with respect to which

responsibility has been transferred and will take all actions and execute all documents reasonably necessary for Surface to assume activities relating to the European Opposition Proceeding.

(c) Cooperation in Support of Assignment. In the event that Surface exercises its right to be assigned GSK's interest in a Joint Patent pursuant to Section 8.2(b), then upon Surface's request, GSK will provide all further cooperation that Surface reasonably determines is necessary to give effect to such assignment and to ensure Surface the full and quiet enjoyment of such assigned Patent Rights, including executing and delivering further assignments, consents, releases, and other commercially reasonable documentation, and providing good faith testimony by affidavit, declaration, deposition, in person or other proper means, and otherwise assisting Surface in support of any effort by Surface to establish, perfect, defend, or enforce its rights in such assigned Patent Rights.

(d) Cooperation in Prosecution and the European Opposition Proceeding. Each Party will, and will cause its Affiliates to, reasonably cooperate, with the other Party with respect to the Prosecution of Licensed Patents and Joint Patents and activities relating to the European Opposition Proceeding pursuant to this Section 8.2, including providing any necessary powers of attorney, complying with any applicable duty of candor or disclosure with a patent office and executing any other required documents or instruments for such Prosecution.

(e) Prosecution of GSK Patents. GSK will control and be responsible, at its own expense, for the Prosecution of all GSK Patents.

(f) Patent Extensions; Data Exclusivity and Purple Book and Patent Register Listings; Biosimilar Applications.

(i) Patent Term Extension. If elections with respect to obtaining patent term extension or supplemental protection certificates or their equivalents in any country with respect to any Licensed Product becomes available, upon Regulatory Approval or otherwise, the Parties will mutually agree on which issued patent to extend, and in any event, the Parties understand and agree that a Licensed Patent or Joint Patent will be extended (including in the U.S. upon Regulatory Approval thereof), if possible, in lieu of any other Patent Right only if such Licensed Patent or Joint Patent would extend longer than such other Patent Right.

(ii) Data Exclusivity, Purple Book and Patent Register Listings. With respect to data exclusivity periods (such as those periods listed in the Purple Book (including any available pediatric extensions) or periods under national implementations of Article 10.1(a)(iii) of Directive 2001/EC/83, and all equivalents in any country), GSK, in consultation with Surface, will seek and maintain all such data exclusivity periods that may be available for any of the Licensed Products. GSK will determine which Licensed Patents and Joint Patents, if any, will be listed with the applicable Regulatory Authorities for any Licensed Product, including all so-called "Patent Register" listings required by certain Governmental Authorities, and all similar listings in any other relevant countries.

(iii) Biosimilar Applications. If either Party receives a copy of an application submitted to the FDA under subsection (k) of Section 351 of the PHSA (a "Biosimilar Application") naming a Licensed Product as a reference product or otherwise becomes aware that such a Biosimilar Application has been filed (including by the receipt of information disclosed pursuant to Section 351(l)(2) of the PHSA, or in an instance described in Section 351(l)(9)(C) of the PHSA), either Party will, within [***], notify the other Party so that the other Party may seek permission to view the application and related confidential information from the filer of the Biosimilar Application under Section 351(l)(1)(B)(iii) of the PHSA. If either Party receives any equivalent or similar certification, information or notice in any other jurisdiction in the Territory naming a Licensed Product, either Party will, within [***], notify and provide the other Party with copies of such communication. Regardless of the Party that is the "reference product sponsor" for purposes of such Biosimilar Application, (A) GSK will have the first right, after consulting with Surface, to designate pursuant to Section 351(l)(1)(B)(ii) of the PHSA the outside counsel and in-house counsel who will receive confidential access to the Biosimilar Application, (B) GSK will have the first right, after consulting with Surface, to (1) list any Licensed Patents, and any other Patent Rights, as required pursuant to Section 351(l)(3)(A), Section 351(l)(5)(b)(i)(II), or Section 351(l)(7) of the PHSA, (2) respond to any communications with respect to such lists from the filer of the Biosimilar Application, and (3) negotiate with the filer of the Biosimilar Application as to whether to utilize a different mechanism for information exchange than that specified in Section 351(l) of the PHSA; and (C) GSK will have the first right, after consulting with Surface, to identify Licensed Patents and any other Patent Rights, and to respond to communications under any equivalent or similar listing in any other jurisdiction in the Territory. If GSK does not defend a given Patent Right within the Licensed Patents or Joint Patents under this Section 8.2(f)(iii) within [***] (or such shorter period of time before the time limit, if any, set forth in the appropriate Laws in the United States or any other country in the Territory to not waive any statutory

rights), or elects not to continue any such defense (in which case it will promptly provide notice thereof to Surface), then Surface will have the right (but not the obligation), at its sole discretion, to defend any such Patent Right.

Section 8.3. Third Party Infringement.

(a) Notice. Each Party will promptly notify the other in writing of any (i) apparent, threatened or actual infringement by a Third Party of any Licensed Patent or Joint Patent, or (ii) unauthorized use or misappropriation of any Licensed Know-How by a Third Party of which it becomes aware, and, in each case, will provide the other Party with all evidence in such Party's possession or control supporting such infringement or unauthorized use or misappropriation (each, an "Infringement").

(b) GSK Sole Right. As between the Parties, GSK will have the sole right, but not the obligation, using counsel of its choosing and at its sole expense, to institute any Action alleging Infringement of the Licensed Patents or Joint Patents by a Third Party conducting the manufacture, use, marketing or sale of a product falling within the scope of the exclusive license granted to GSK in Section 2.1 (any such Action, an "Infringement Action"). GSK will notify and keep Surface apprised in writing of any such Infringement Action and will consider Surface's reasonable interests and requests regarding such Infringement Action.

(c) Cooperation. In any Infringement Action brought under the Licensed Patents or Joint Patents pursuant to Section 8.3(b), Surface will, and will cause its Affiliates to, reasonably cooperate with GSK, in good faith, relative to GSK's efforts to protect the Licensed Patents and Joint Patents and will join such suit as a party, if requested by GSK. Furthermore, GSK will consider in good faith all reasonable and timely comments from Surface on any proposed arguments asserted or to be asserted in litigation related to the enforcement or defense of any such Patent Rights. GSK will have the right to settle any patent infringement litigation with respect to any Licensed Patent under this Section 8.3 in a manner that diminishes the rights or interests of Surface without the consent of Surface (which will not be unreasonably withheld).

(d) Expenses. Subject to Section 8.3(e), GSK will be solely responsible for all expenses arising from a suit or Action against an Infringement Action. For the avoidance of doubt, GSK will not be responsible for Surface's internal expenses (e.g., FTEs) incurred as a result of Surface's cooperation with the enforcement Action as provided in this Section 8.3. Surface will be entitled to separate representation in such matter by counsel of its own choice and at its own expense, but Surface will at all times cooperate fully with GSK.

(e) Allocation of Recoveries. Any settlements, damages or monetary awards recovered by either Party pursuant to any Infringement Action with respect to the Licensed Patents or Joint Patents will, after reimbursing the Parties for their reasonable expenses in making such recovery (which amounts will be allocated pro rata if insufficient to cover the totality of such expenses), be retained by the Party that has exercised its right to bring the enforcement action; provided, however, that to the extent that any award or settlement (whether by judgment or otherwise) with respect to a Licensed Patent or Joint Patent is attributable to loss of sales or profits with respect to a Licensed Product, such amount shall be paid to or retained by GSK and treated as "Net Sales" in the Calendar Year in which the money is actually received and any royalties pursuant to Section 7.2 shall be payable by GSK to Surface with respect thereto.

Section 8.4. Claimed Infringement. Each Party will promptly notify the other Party if a Third Party brings any Action alleging patent infringement by GSK or Surface or any of their respective Affiliates or sublicensees with respect to the Development, Manufacture or Commercialization of any Licensed Product (any such Action, an "Infringement Claim") in the Territory. GSK will have the right, but not the obligation, to control the defense and response to any such Infringement Claim in the Territory, at GSK's sole cost and expense, and Surface will have the right, at its own expense, to be represented in any such Infringement Claim in the Territory by counsel of its own choice. Upon the request of GSK, Surface will reasonably cooperate with GSK in the reasonable defense of such Infringement Claim. Surface will have the right to consult with GSK concerning any Infringement Claim and to participate in and be represented by independent counsel in any associated litigation. GSK will (a) consult with Surface as to the strategy for the prosecution of such defense, (b) consider in good faith any comments from Surface with respect thereto and (c) keep Surface reasonably informed of any material steps taken and provide copies of all material documents filed, in connection with such defense. GSK will have the right to settle such Infringement Claim on terms deemed reasonably appropriate by it, provided, that, unless any such settlement includes a full and

unconditional release from all liability of Surface and does not adversely affect the rights of Surface, any such settlement will be subject to Surface's prior written consent.

Section 8.5. Common Interest. All information exchanged between the Parties regarding the Prosecution of Licensed Patents and Joint Patents under this ARTICLE VIII will be deemed Confidential Information of the disclosing Party. The Parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Licensed Patents, the Joint Patents and the European Opposition Proceeding under this ARTICLE VIII, including privilege under the common interest doctrine and similar or related doctrines. Notwithstanding anything to the contrary contained herein, to the extent a Party has a good faith belief that any information required to be disclosed by such Party to the other Party under this ARTICLE VIII is protected by attorney-client privilege or any other applicable legal privilege or immunity, such Party will not be required to disclose such information, and the Parties will in good faith cooperate to agree upon a procedure (including entering into a specific common interest agreement, disclosing such information on a "for counsel eyes only" basis or similar procedure) under which such information may be disclosed without waiving or breaching such privilege or immunity.

ARTICLE IX
CONFIDENTIALITY AND PUBLICITY

Section 9.1. Confidential Information.

(a) Confidentiality Obligation. During the Term and for a period of [***] after any termination or expiration of this Agreement, each Party agrees to, and will cause its Affiliates, its and their sublicensees and subcontractors to, keep in confidence and not to disclose to any Third Party, or use for any purpose, except to exercise its rights or perform its obligations under this Agreement, any Confidential Information of the other Party, without the prior written consent of such disclosing Party. The existence and terms of this Agreement are the Confidential Information of each Party.

(b) Permitted Disclosures. Each Party agrees that it and its Affiliates will provide or permit access to the other Party's Confidential Information only to the receiving Party's employees, consultants, subcontractors, advisors and sublicensees, and to the employees, consultants, subcontractors, advisors and sublicensees of the receiving Party's Affiliates, in each case on a need to know basis who are subject to obligations of confidentiality and non-use with respect to such Confidential Information no less stringent than the obligations of confidentiality and non-use of the receiving Party pursuant to this Section 9.1; provided, however, that each Party will remain responsible for any failure by its Affiliates and its and their sublicensees, and its and its Affiliates' respective employees, consultants, subcontractors and advisors, to treat such Confidential Information as required under this Section 9.1 as if such Affiliates, employees, consultants, subcontractors, advisors and sublicensees were parties directly bound to the requirements of this Section 9.1.

(c) Confidentiality Limitation. Notwithstanding anything to the contrary herein, each Party may use and disclose the other Party's Confidential Information as follows: (i) to its Affiliates, *bona fide* potential or actual collaborators, licensors, Sublicensees, sublicensees, or strategic partners and to employees, directors, agents, consultants, and advisers of such Third Parties, financial advisors, attorneys and accountants, *bona fide* actual or potential acquisition partners, financing sources or investors and underwriters in all cases on a need to know basis, and under appropriate confidentiality and non-use obligations (which may include professional ethical obligations) no less stringent than those in this Agreement (but of duration customary in confidentiality agreements entered into for a similar purpose); provided, however, that each Party will remain responsible for any failure by any of the foregoing recipients to treat such Confidential Information as required under Section 9.1 as if such recipients were parties directly bound to the requirements of this Section 9.1, (ii) as required by any court governmental body or other Governmental Authority as otherwise required by applicable Laws (including any such disclosures as are required by a Regulatory Authority in connection with seeking Regulatory Approval, Pricing and Reimbursement Approval, import authorization for any Licensed Product in the Territory, or the rules or regulations of the United States Securities and Exchange Commission or similar Regulatory Authority in a country other than the United States or of any stock exchange or listing entity); provided, that, notice is promptly given to the other Party and the disclosing Party cooperates with reasonable requests from the other Party to seek a protective order or other appropriate remedy to protect the

Confidential Information, or (iii) to a patent authority as may be reasonably necessary or useful for purposes of obtaining Patent Rights as permitted by this Agreement; provided that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available. Notwithstanding anything to the contrary contained in this ARTICLE IX, Confidential Information that is permitted or required to be disclosed will remain otherwise subject to the confidentiality and non-use provisions of Section 9.1(b) and this Section 9.1(c). If either Party concludes that a copy of this Agreement must be filed with the United States Securities and Exchange Commission or similar Regulatory Authority in a country other than the United States, then such Party will, within a reasonable time (and in no event less than [***]) prior to any such filing, provide the other Party with a copy of this Agreement showing any provisions hereof as to which the Party proposes to request confidential treatment and will provide the other Party with an opportunity to comment on any such proposed redactions and to suggest additional redactions. The Party filing the Agreement will take the other Party's reasonable comments into consideration before filing such agreement and use reasonable efforts to have terms identified by such other Party afforded confidential treatment by the applicable Regulatory Authority.

(d) When transferring Confidential Information, all communications between GSK and Surface will use encryption methods agreed to by the Parties. Upon discovering any suspected or actual unauthorized disclosure, loss or theft of Confidential Information (a "Data Security Breach") Surface will send an e-mail to [***] notifying GSK, and upon discovering any suspected or actual Data Security Breach, GSK will send an e-mail to [***], notifying Surface. The Parties shall work with each other in good faith to identify a root cause and remediate the Data Security Breach.

Section 9.2. Publicity and Press Release. The Parties acknowledge the importance of supporting each other's efforts to publicly disclose results and significant Developments regarding Licensed Products in the Field in the Territory, and each Party may make such disclosures from time to time, subject to the terms and conditions of this Agreement, including this Section 9.2. Such disclosures may include achievement of milestones, significant events in the Development process with respect to Licensed Products, or Commercialization activities with respect to Licensed Products.

(a) The Parties have agreed upon the content of a press release which shall be issued by Surface substantially in the form attached hereto as Schedule 9.2, promptly after the Effective Date. Except for disclosures permitted in accordance with Section 9.1(b), Surface shall not issue any other public announcement, press release or other public disclosure regarding this Agreement, its subject matter or any amendment hereto without GSK's prior written consent, except for any such disclosure that (i) repeats any information regarding this Agreement, its subject matter or any amendment hereto that has already been publicly disclosed by either Party in accordance with this Section 9.2, provided that such information remains accurate as of such time and provided the frequency and form of such disclosure are reasonable, or (ii) is, in the opinion of Surface's counsel, required by applicable Laws or the rules of a stock exchange on which the securities of Surface are listed (or to which an application for listing has been submitted), provided, that disclosure under this clause (ii) shall include the minimum amount of Confidential Information required by such applicable Laws, and Surface will use reasonable efforts to seek confidential treatment of Confidential Information to be included in such disclosures. In the event Surface is, in the opinion of its counsel, required by applicable Laws or the rules of a stock exchange on which its securities are listed (or to which an application for listing has been submitted) to make such a public disclosure, Surface shall submit the proposed disclosure in writing to GSK as far in advance as reasonably practicable (and in no event less than [***] prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon. For clarity, GSK and its Affiliates and its and their Sublicensees shall have the right to publicly disclose research, development and commercial information (including with respect to regulatory matters) regarding the Licensed Antibody and Licensed Product; provided such disclosure is subject to the provisions of Section 9.1 with respect to Surface's Confidential Information.

(b) The principles to be observed in such disclosures will include accuracy, compliance with applicable Laws and regulatory guidance documents and the need to keep investors informed regarding the business of the Party making such public disclosure. Nothing in this Section 9.2 will restrict a Party from making a disclosure required by Laws as reasonably determined by such Party's counsel, including disclosures required by any Laws relating to the public sale of securities; provided, however, that such disclosure will include the minimum amount of Confidential Information required by such applicable Laws, and the Parties will use reasonable efforts to seek confidential treatment of Confidential Information to be included in such disclosures.

Section 9.3. Scientific Publications.

(a) As between the Parties, GSK shall control all scientific publications relating to all activities undertaken under this Agreement for the relevant Licensed Antibodies and Licensed Products, which publications shall not require the prior written approval of Surface. If GSK or its employees or consultants (such as clinical investigators) wish to publish or publicly present any information about a Licensed Product or the results of any activities relating to the research or development of Licensed Antibodies, which publication contains any of Surface's Confidential Information, it shall deliver to Surface a copy of the proposed written publication or an outline of an oral disclosure at least [***] ([***] in the case of abstracts) prior to submission for publication or presentation. Surface will respond in writing promptly and in no event later than [***] ([***] in the case of abstracts) after receipt of the proposed material and shall have the right to propose modifications to the publication or presentation for confidentiality reasons, or request a reasonable delay in publication or presentation in order to protect patentable information. In the event that Surface identifies patentable subject matter in the proposed material, GSK agrees not to submit such publication or to make such presentation that contains such information for a period of up to [***] in order to seek patent protection for any material in such publication or presentation. If Surface reasonably requests modifications to the publication or presentation to prevent disclosure of Surface's Confidential Information, GSK shall edit such publication to prevent the disclosure of such Confidential Information prior to submission of the publication or presentation.

(b) All publications made by GSK relating to any Licensed Antibody or Licensed Product will be prepared, presented, and published in accordance with pharmaceutical industry accepted guidelines.

(c) In addition to the foregoing, subject to this Section 9.3, GSK shall have the right at any time during and after the Term to (a) publish the results or summaries of results of all Clinical Studies, observational studies and other studies such a meta analyses, conducted with respect to any and all Licensed Antibodies and Licensed Products in any clinical trial register maintained by GSK or its Affiliates and the protocols of such Clinical Studies on www.clinicaltrials.gov or in each case publish the results, summaries or protocols of such Clinical Studies or other studies on such other websites or repositories or at scientific congresses and in peer-reviewed journals within such timescales as required by applicable Laws or GSK's or its Affiliate's internal policies and procedures, irrespective of the outcome of such Clinical Studies; (b) make information from Clinical Studies or other studies conducted by or on behalf of GSK with respect to Licensed Antibodies or Licensed Products available under its Data Sharing Initiative; and (c) make any other public disclosures of Clinical Data that become required of GSK due to its internal policies and procedures or applicable Laws.

(d) Each publication made in accordance with this Section 9.3 shall not be a breach of the confidentiality provisions set forth in Section 9.1.

Section 9.4. Equitable Relief. Given the nature of the Confidential Information and the competitive damage that could result to a Party upon unauthorized disclosure, use or transfer of its Confidential Information to any Third Party, the Parties agree that monetary damages will not be a sufficient remedy for any breach of this ARTICLE IX. In addition to all other remedies, and notwithstanding the provisions of ARTICLE XIV, a Party will be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any breach or threatened breach of this ARTICLE IX.

ARTICLE X
REPRESENTATIONS AND WARRANTIES; CERTAIN COVENANTS

Section 10.1. Mutual Representations and Warranties. Each Party represents and warrants to the other Party that, as of the Effective Date:

(a) Organization. It is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver, and perform this Agreement.

(b) Authority. It has the right to grant to the other the licenses and sublicenses granted pursuant to this Agreement, and this Agreement and the performance by such Party of this Agreement do not violate such Party's charter documents, bylaws or other organizational documents.

(c) Consents. Except for any Regulatory Approvals, manufacturing approvals or similar approvals necessary for the Development, Manufacture or Commercialization of Licensed Products, all necessary consents, approvals and authorizations of all Governmental Authorities and other Persons required to be obtained by it in connection with the execution, delivery and performance of this Agreement have been obtained.

(d) No Conflict. It is not under any obligation, contractual or otherwise, to any Person that would materially affect the performance of obligations under this Agreement and the execution and delivery of this Agreement by such Party, and the performance of such Party's obligations under this Agreement (as contemplated as of the Effective Date) and the licenses and sublicenses to be granted by such Party pursuant to this Agreement (i) do not conflict with or violate any requirement of Laws applicable to such Party, (ii) do not conflict with or violate any order, writ, judgment, injunction, decree, determination, or award of any court or governmental agency presently in effect applicable to such Party, and (iii) do not conflict with, violate, breach or constitute a default under, or give rise to any right of termination, cancellation or acceleration of, any contractual obligations of such Party or any of its Affiliates.

(e) Enforceability. It has taken all necessary action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and this Agreement is a legal and valid obligation binding upon it and is enforceable against it in accordance with its terms, subject to the general principles of equity and subject to bankruptcy, insolvency, moratorium, judicial principles affecting the availability of specific performance and other similar Laws affecting the enforcement of creditors' rights generally.

(f) Compliance with Law. Each Party shall comply, and ensure that its Affiliates, its and their sublicensees and subcontractors comply, in all material respects with all applicable Laws in the performance of its obligations and exercise of its rights under this Agreement to the extent in each case that such applicable Laws cover the performance of the relevant obligations or exercise of rights.

Section 10.2. Additional Representations, Warranties and Covenants of Surface. Surface represents and warrants as of the Effective Date, and covenants to GSK (as applicable) that:

(a) Licensed Patents. All Licensed Patents as of the Effective Date are listed in Exhibit B. Surface is the sole and exclusive owner of the Licensed Patents, all of which are free and clear of any claims, liens, charges or encumbrances. All Licensed Patents have been Prosecuted in good faith in the patent offices in accordance with applicable Laws.

(b) Third Party Challenges. There are no claims, judgments, or settlements against, or amounts with respect thereto, made against Surface or any of its Affiliates relating to the Licensed Patents or the Licensed Know-How. No claim or litigation has been received by Surface or its Affiliates or, to Surface's knowledge, threatened by any Person (i) alleging that the Licensed Patents are invalid or unenforceable, (ii) challenging Surface's Control of the Licensed Technology (i.e., alleging that a Third Party has a right or interest in or to the Licensed Technology) or (iii) alleging misappropriation of the Know-How of any Third Party used in the Development, Manufacture or Commercialization of Licensed Antibodies or Licensed Products by or on behalf of Surface prior to the Effective Date.

(c) Non-Infringement of Third Party IP. Except as set forth on Schedule 10.2(c), to Surface's knowledge, the Development or Manufacture of the Licensed Product, as conducted by Surface, its Affiliates or its sublicensees, or its subcontractors prior to the Effective Date, and the Commercialization thereof if Surface were Commercializing the Licensed Product as of the Effective Date, did not or would not infringe any issued Patent Right or misappropriate or otherwise violate or misappropriate any Know-How of any Person. No claim of Infringement of the Licensed Patents or misappropriation of the Licensed Know-How of any Third Party has been brought or asserted, or to Surface's knowledge, threatened, against Surface or any of its Affiliates with respect to the Development, Manufacture or Commercialization of Licensed Products.

(d) Third Party Infringement. To Surface's knowledge, (i) no Person is infringing or threatening to infringe or misappropriating or threatening to misappropriate any Licensed Patents or Licensed Know-How and (ii) there are no activities by Third Parties that would constitute infringement or misappropriation of the Licensed Patents or Licensed Know-How.

(e) Absence of Litigation. There are no judgments or settlements against or owed by Surface, its Affiliates or its or their sublicensees, or, to Surface's knowledge, pending litigation against Surface, its Affiliates, or its or their sublicensees, or litigation threatened against Surface, its Affiliates, or its or their sublicensees, in each case related to

Licensed Products, including any such litigation relating to any Regulatory Materials Controlled by Surface, its Affiliates or its sublicensees as of the Effective Date.

(f) Inventors. Each Person who has or has had any ownership rights in or to any Licensed Patents purported to be owned solely by Surface, has assigned and has executed an agreement assigning its entire right, title, and interest in and to such Licensed Patents to Surface.

(g) Accuracy of Data. All information and data provided by or on behalf of Surface to GSK on or before the Effective Date in contemplation of this Agreement was and is true and accurate in all materials respects.

(h) Employment Practices. As relevant to this Agreement: (a) Surface did not and will not employ child labor, forced labor, or cruel or abusive disciplinary practices in the workplace; (b) Surface did not and will not discriminate against any workers on any ground in violation of applicable Law (including race, religion, disability, gender, sexual orientation or gender identity); and (c) Surface paid and will pay each employee at least the minimum wage, provided and will provide each employee with all legally mandated benefits, and has complied and will comply with all applicable Laws on working hours and employment rights in the countries in which it operates.

(i) [***].

(j) Assignment Obligations. All employees, subcontractors or consultants of Surface that will be involved in the performance of the Technical Transition Services shall be subject to a written obligation to assign to Surface all rights in the Patent Rights and Know-How invented or created by them in the course of providing the Technical Transition Services during the Transition Period.

(k) Products Warranties. All Licensed Antibodies and License Product Manufactured and supplied by Surface, with respect to each batch of such Licensed Antibodies and Licensed Products, shall have been Manufactured: (i) in accordance with and shall conform to the specifications existing as of the time of out of freeze for Licensed Antibodies and start of Manufacturing for Licensed Product; (ii) in accordance with the Manufacturing process; (iii) in compliance with applicable GMP requirements; (iv) in compliance with all Laws; and (v) in accordance with the quality or technical agreement(s) between Surface and any of its Manufacturing subcontractors (clauses (i) through (v) collectively, the "Products Warranties").

(l) Existing CMO Agreements. Surface has not and shall not amend or modify the Products Warranties, delivery terms or quality-related terms under the Existing CMO Agreements that would in any way have an adverse effect on or otherwise limit or reduce the remedies available to Surface for breach of Product Warranties by the Existing CMO under such Existing CMO Agreements, or otherwise adversely affect the delivery or quality of the Licensed Antibodies or Licensed Products manufactured thereunder.

(m) Human Biological Samples. The Human Biological Samples transferred to GSK by Surface in the course of the Technical Transition Services have been obtained and will be stored, transferred, used and disposed of in accordance with all applicable Laws and any generally accepted ethical guidelines regarding the collection, use, transport and disposal of human tissue. All the relevant ethics committee approvals and informed consents have been obtained to enable the use of the Human Biological Samples obtained from patients or human subject volunteers or other donors in the Development or Manufacture of Licensed Antibodies. No human embryonic or fetal derived material (including cell lines) have been or will be used in connection with the Technical Transition Services or other Development or Manufacture of Licensed Antibodies, without the express prior written approval of GSK.

Section 10.3. Additional Representations, Warranties and Covenants of GSK. GSK represents and warrants as of the Effective Date and covenants to Surface (as applicable) that:

(a) Compliance with Law. Without limiting the generality of Section 10.1(f), GSK will conduct its Development and Commercialization activities relating to the Licensed Antibody or Licensed Product(s) in accordance with applicable Laws (including data privacy Laws, current international regulatory standards, including, as applicable, GMP, GLP, GCP, and other rules, regulations and requirements), and will cause all permitted subcontractors and Sublicensees hereunder to comply with such applicable Laws.

(b) GSK Solvency. GSK is solvent and has the ability to pay and perform, or cause its Affiliates to pay and perform, all of its obligations as and when such obligations become due, including payment and other obligations under this Agreement.

Section 10.4. Anti-Corruption. The Parties will comply with all applicable Laws concerning bribery, money laundering, or corrupt practices or which in any manner prohibit the giving of anything of value to any official, agent, or employee of any government, political party, or public international organization, candidate for public office, health care professional, or to any officer, director, employee, or representative of any other organization, for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage, or improperly assisting either Party in obtaining or retaining business, specifically including the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act, in each case, in connection with the activities conducted pursuant to this Agreement. Each Party will require any contractors, subcontractors, sublicensees, or other Persons that provide services to it in connection with this Agreement to comply with such Party's obligations under this Section 10.4. For the avoidance of doubt the foregoing prohibited payments include facilitating payments, which are unofficial, improper, small payments or gifts offered or made to a Government Official to secure or expedite a routine or necessary action to which a Party is legally entitled.

Section 10.5. No Debarment. Each Party represents and warrants that neither it nor any of its or its Affiliates' employees or agents performing under this Agreement has ever been, or is currently: (a) debarred under 21 U.S.C. § 335a or by any Regulatory Authority; (b) excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs; (c) listed on the FDA's Disqualified and Restricted Lists for clinical investigators; or (d) convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible. Each Party further covenants that if, during the Term of this Agreement, it becomes aware that it or any of its or its Affiliates' employees or agents performing under this Agreement is the subject of any investigation or proceeding that could lead to that Party becoming a debarred entity or individual, an excluded entity or individual or a convicted entity or individual, such Party will promptly notify the other Party.

Section 10.6. No Other Warranties. EACH OF SURFACE AND GSK SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE RESEARCH, DEVELOPMENT OR COMMERCIALIZATION OF LICENSED ANTIBODIES OR LICENSED PRODUCTS WILL BE SUCCESSFUL IN WHOLE OR IN PART. EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE X, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF TITLE, NON-INFRINGEMENT OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY WITH RESPECT TO THE LICENSED PRODUCT, VALIDITY, ENFORCEABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE XI
INDEMNIFICATION; DAMAGES

Section 11.1. Indemnification by Surface. Surface will defend, indemnify and hold harmless GSK, its Affiliates and their respective directors, officers, employees and agents (each, a "GSK Indemnified Party"), from, against and in respect of any and all Third Party Losses incurred or suffered by any GSK Indemnified Party to the extent resulting from: (a) any breach of any representation or warranty made by Surface in this Agreement, or any breach by Surface of any obligation, covenant or agreement in this Agreement; (b) the gross negligence or willful misconduct of, or violation of Laws by, Surface or any of its Affiliates, sublicensees, or subcontractors, or any of their respective directors, officers, employees and agents, in performing Surface's obligations or exercising Surface's rights under this Agreement; (c) the Development, Manufacture, labeling, handling or storage, or use of, or exposure to, the Licensed Antibody or any Licensed Products by or for Surface or any of its Affiliates, its or their sublicensees, subcontractors, agents and consultants or contractors, to the extent relating to the Technical Transition Services; or (d) Surface's (or its Affiliates' and sublicensees') use or practice of the Licensed Technology, to the extent relating to the Technical Transition Services; provided, however, that Surface's obligations pursuant to this Section 11.1 will not apply to the extent such Third Party Losses result from Third Party Losses for which GSK has an obligation to indemnify Surface pursuant to Section 11.2.

Section 11.2. Indemnification by GSK. GSK will defend, indemnify and hold harmless Surface, its Affiliates and their respective directors, officers, employees and agents (each, a "Surface Indemnified Party") from, against and in respect of any and all Third Party Losses incurred or suffered by any Surface Indemnified Party to the extent resulting from: (a) any breach of any representation or warranty made by GSK in this Agreement, or any breach by GSK of any obligation, covenant or agreement in this Agreement, (b) the gross negligence or willful misconduct of, or violation of Laws by, GSK, any of its Affiliates, its or their Sublicensees or subcontractors, or any of their respective directors, officers, employees and agents, in performing GSK's obligations or exercising GSK's rights under this Agreement, (c) the Development, Commercialization (including promotion, advertising, offering for sale, sale or other disposition), transfer, importation or exportation, Manufacture, labeling, handling or storage, or use of, or exposure to, the Licensed Antibody or any Licensed Products by or for GSK or any of its Affiliates, its or their Sublicensees, subcontractors, agents and consultants or contractors; or (d) GSK's (or its Affiliates' and Sublicensees') use or practice of the Licensed Technology; provided, however, that GSK's obligations pursuant to this Section 11.2 will not apply to the extent such Third Party Losses result from Third Party Losses for which Surface has an obligation to indemnify GSK pursuant to Section 11.1.

Section 11.3. Claims for Indemnification.

(a) Notice. An Indemnified Party entitled to indemnification under Section 11.1 or Section 11.2 will give prompt written notification to the Indemnifying Party of the commencement of any Action by a Third Party for which indemnification may be sought (a "Third Party Claim") or, if earlier, upon the assertion of such Third Party Claim by a Third Party; provided, however, that failure by an Indemnified Party to give notice of a Third Party Claim as provided in this Section 11.3(a) will not relieve the Indemnifying Party of its indemnification obligation under this Agreement, except and only to the extent that such Indemnifying Party is materially prejudiced as a result of such failure to give notice.

(b) Defense. Within [***] after delivery of a notice of any Third Party Claim in accordance with Section 11.3(a), the Indemnifying Party may, upon written notice thereof to the Indemnified Party, assume control of the defense of such Third Party Claim with counsel reasonably satisfactory to the Indemnified Party. If the Indemnifying Party does not assume control of such defense, the Indemnified Party may control such defense (with counsel reasonably selected by the Indemnified Party and approved by the Indemnifying Party, such approval not to be unreasonably withheld). The Party not controlling such defense may participate therein at its own expense.

(c) Cooperation. The Party controlling the defense of any Third Party Claim will keep the other Party advised of the status and material developments of such Third Party Claim and the defense thereof and will reasonably consider recommendations made by the other Party with respect thereto. The other Party will reasonably cooperate, at its expense, with the Party controlling such defense and its Affiliates and agents in defense of the Third Party Claim.

(d) Settlement. The Indemnified Party will not agree to any settlement of such Third Party Claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld. The Indemnifying Party will not agree, without the prior written consent of the Indemnified Party, which will not be unreasonably withheld, to any settlement of such Third Party Claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the Indemnified Party from all liability with respect thereto or that imposes any liability or obligation on the Indemnified Party (other than a monetary obligation on the Indemnifying Party). In no event will the Indemnifying Party agree to any settlement or compromise that involves (i) any admission of legal wrongdoing by the Indemnified Party, (ii) any payment by the Indemnified Party that is not indemnified under this Agreement, or (iii) the imposition of any equitable relief against the Indemnified Party without the prior written consent of the Indemnified Party, which may be withheld in its sole discretion.

(e) Mitigation of Loss. Each Indemnified Party will take and will procure that its Affiliates take all such reasonable steps and actions as are necessary or as the Indemnifying Party may reasonably require in order to mitigate any Third Party Claims (or potential losses or damages) under this ARTICLE XI. Nothing in this Agreement will or will be deemed to relieve any Party of any common law or other duty to mitigate any losses incurred by it.

Section 11.4. Insurance. GSK shall maintain, at its cost, insurance or self-insurance with respect to liabilities and other risks associated with its activities and obligations under this Agreement, including its indemnification obligations herein, in such amounts and on such terms as are customary for prudent practices for large companies in the pharmaceutical industry for the activities to be conducted by GSK under this Agreement. GSK shall furnish to Surface evidence of such insurance or self-insurance, upon reasonable request.

ARTICLE XII
LIMITATION OF LIABILITY

Section 12.1. No Consequential or Punitive Damages. EXCEPT AS SET FORTH IN SECTION 12.2, NEITHER PARTY NOR ANY OF ITS AFFILIATES WILL BE LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS OR THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER, INCLUDING ANY LOST PROFITS ARISING OUT OF THIS AGREEMENT, IN EACH CASE HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES.

Section 12.2. EXCLUSION FROM LIABILITY LIMITATION. THE LIMITATIONS AND DISCLAIMER SET FORTH IN SECTION 12.1 WILL NOT APPLY TO A CLAIM: (A) FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; (B) FOR A BREACH OF ARTICLE IX; OR (C) FOR INDEMNIFIABLE LOSSES PURSUANT TO SECTION 11.1 OR 11.2.

ARTICLE XIII
TERM AND TERMINATION

Section 13.1. Term. Unless terminated earlier in accordance with this ARTICLE XIII, this Agreement will become effective as of the Effective Date and will continue in full force and effect until the last to expire Royalty Term in all countries in the Territory for all Licensed Products (the "Term").

Section 13.2. Paid-Up License Upon End of Royalty Term. Upon the expiration of the Royalty Term for a given Licensed Product in a given country in the Territory, the license granted to GSK pursuant to Section 2.1 under the Licensed Know-How will become perpetual, irrevocable, fully paid-up, and royalty free with respect to such Licensed Product in such country, and upon expiration of all Royalty Terms in all countries in the Territory, the license granted to GSK pursuant to Section 2.1 under the Licensed Know-How will become perpetual, irrevocable, fully paid-up, and royalty free with respect to all Licensed Products in all countries in the Territory.

Section 13.3. Early Termination.

(a) Termination for Material Breach. Upon (i) any material breach of this Agreement by Surface or (ii) any material breach of this Agreement by GSK (the Party so allegedly breaching being the "Breaching Party"), the other Party (the "Non-Breaching Party") will have the right, but not the obligation, to terminate this Agreement in its entirety by providing [***] written notice to the Breaching Party with respect to any breach of any payment obligation under this Agreement and [***] written notice to the Breaching Party with respect to any other breach, which notice will, in each case (A) expressly reference this Section 13.3(a), (B) reasonably describe the alleged breach which is the basis of such termination, and (C) clearly state the Non-Breaching Party's intent to terminate this Agreement if the alleged breach is not cured within the applicable cure period. The termination will become effective at the end of the notice period unless the Breaching Party cures such breach during such notice period; provided, that if there is a good faith dispute with respect to the existence of a material breach or whether such material breach has been cured, and if such alleged breach or failure to cure is contested in good faith by the Breaching Party in writing within [***] of the delivery of the breach notice, then the dispute resolution procedure pursuant to ARTICLE XIV, may be initiated by either Party to determine whether a material breach or a failure to cure has actually occurred. If either Party so initiates the dispute resolution procedure, then the applicable cure period (and the corresponding termination of this Agreement, in whole or in part), shall be tolled until such time as the dispute is resolved pursuant to ARTICLE XIV. Notwithstanding the foregoing, if the breach and failure to cure contemplated by this Section 13.3(a) is with respect to GSK's breach of its diligence obligations set forth in Sections 4.1 and 5.2 with respect to one or more (but not all) of the countries in the Territory, Surface shall not have the right to terminate this Agreement in its entirely, but shall have the right to terminate this Agreement solely with respect to the country(ies) to which such breach and failure to cure applies.

(b) Termination by GSK for Convenience. GSK will have the right to terminate this Agreement in its entirety for convenience, without cause, and for any or no reason (a) on not less than [***] prior written notice to Surface if such notice is provided prior to GSK's receipt of the first Regulatory Approval for a Licensed Product, and (b) on not less than [***] prior written notice to Surface if such notice is provided following GSK's receipt of the first Regulatory Approval for a Licensed Product.

(c) Termination for Bankruptcy. This Agreement may be terminated immediately, to the extent permitted by applicable Laws, by either Party upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by the other Party; provided, however, that in the case of any involuntary bankruptcy, reorganization, liquidation or receivership proceeding such right to terminate will only become effective if the Party subject to such proceeding consents to the involuntary bankruptcy or such proceeding is not dismissed within [***] after the filing thereof.

(d) Patent Challenge.

(i) Except to the extent that this Section 13.3(d) is unenforceable under the Law of the applicable jurisdiction where the applicable Licensed Patents are pending or issued, Surface has the right to terminate this Agreement upon written notice to GSK in the event that GSK or any of its Affiliates or its or their Sublicensees directly or indirectly challenges in a legal or administrative proceeding the patentability, enforceability or validity of any Licensed Patents (a "Patent Challenge"); provided that (A) this Section 13.3(d) will not apply to any such Patent Challenge that is first made by GSK or any of its Affiliates or its or their Sublicensees in defense of a claim of patent infringement brought by Surface under the applicable Licensed Patents, (B) with respect to any Affiliate or Sublicensee, Surface will not have the right to terminate this Agreement under this Section 13.3(d) if GSK (1) causes such Patent Challenge to be terminated or dismissed (or in the case of ex-parte proceedings, multi-party proceedings, or other Patent Challenges in which the challenging party does not have the power to unilaterally cause the Patent Challenge to be withdrawn, causes such Affiliate or Sublicensee to withdraw as a party from such Patent Challenge and to cease actively assisting any other party to such Patent Challenge), or (2) terminates such Sublicensee's sublicense to the Licensed Patents being challenged by the Affiliate or Sublicensee, in each case, within [***] of Surface's notice to GSK under this Section 13.3(d).

(ii) In lieu of exercising its rights to terminate under this Section 13.3(d), Surface may elect upon written notice [***], which election will be effective retroactively to the date of the commencement of the Patent Challenge.

(iii) GSK acknowledges and agrees that this Section 13.3(d) is reasonable, valid and necessary for the adequate protection of Surface's interest in and to the Licensed Patents, and that Surface would not have granted to GSK the licenses under those Licensed Patents, without this Section 13.3(d). Surface will have the right, at any time in its sole discretion, to strike this Section 13.3(d) (or any portion thereof) from this Agreement, and Surface will have no liability whatsoever as a result of the presence or absence of this Section 13.3(d) (or any struck portion thereof).

(e) Termination for Cessation of Development. Without prejudice to any other remedies available to it at law or in equity (including for any breach of the terms hereof), if (i) GSK does not conduct, or cause to be conducted, or otherwise ceases or abandons, material Development activities with respect to Licensed Antibodies and Licensed Products for a period of [***] at any time during the Term or (ii) GSK has not commenced any material Development activities with respect to any Licensed Antibody or Licensed Product on or after the date that is the [***] anniversary of the Effective Date (each, a "Cessation of Development"), then, in each case ((i) and (ii)), Surface will have the right to terminate this Agreement in its entirety with [***] written notice to GSK, unless GSK cures such Cessation of Development during such notice period; provided, that if there is a good faith dispute with respect to the existence of a Cessation of Development or whether such Cessation of Development has been cured, and if such alleged Cessation of Development or failure to cure is contested in good faith by GSK in writing within [***] of the delivery of the notice thereof, then the dispute resolution procedure pursuant to ARTICLE XIV, may be initiated by either Party to determine whether a Cessation of Development or a failure to cure has actually occurred. If either Party so initiates the dispute resolution procedure, then the applicable cure period (and the corresponding termination of this Agreement, in whole or in part), shall be tolled until such time as the dispute is resolved pursuant to ARTICLE XIV. Notwithstanding the foregoing, the abandonment or cessation of material Development activities by GSK with respect to Licensed Antibodies and Licensed Product as described in clauses (i) and (ii) shall not be deemed a Cessation of Development to the extent any such abandonment or cessation is the result of [***].

(f) Rights in Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by GSK or Surface are and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code or any analogous

provisions in any other country or jurisdiction, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that the Parties, as licensees of such rights under this Agreement, shall retain and may fully exercise all of their rights and elections under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against either Party under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the Party hereto that is not a Party to such proceeding shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, which, if not already in the non-subject Party's possession, shall be promptly delivered to it (i) upon any such commencement of a bankruptcy proceeding upon the non-subject Party's written request therefor, unless the Party subject to such proceeding elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under clause (i) above, following the rejection of this Agreement by or on behalf of the Party subject to such proceeding upon written request therefor by the non-subject Party. The Parties acknowledge and agree that payments made under Section 7.1 shall not (x) constitute royalties within the meaning of Section 365(n) of the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction or (y) relate to licenses of intellectual property hereunder.

Section 13.4. Effects of Termination. All of the following effects of termination (but not expiration) are in addition to the other rights and remedies that may be available to either of the Parties under this Agreement and will not be construed to limit any such rights or remedies.

(a) Effects of Termination Generally. Upon termination of this Agreement in its entirety pursuant to Section 13.3, the Parties' rights, licenses, including any Sublicenses, and obligations under this Agreement will terminate and neither Party will have any further rights or obligations under this Agreement from and after the effective date of termination, except as set forth in this Section 13.4.

(b) Reversion of Rights. All Licensed Antibodies and Licensed Products and all rights related thereto will revert to Surface, including all rights under the Licensed Technology and Surface will have the right, in its sole discretion, to Develop, Manufacture and Commercialize the Licensed Antibodies and Licensed Products.

(c) Transitioning Activities. If there are any on-going Clinical Studies at termination or expiration of this Agreement, the Parties will negotiate in good faith to establish an appropriate course of action, which may include transitioning activities from GSK to Surface or its designee, with due regard for patient safety and the rights of any subjects that are participants in any Clinical Studies of the Licensed Products, and take any actions it deems reasonably necessary or appropriate to avoid any human health or safety problems and in compliance with all applicable Laws.

(d) Right of Reference to Regulatory Materials. GSK will and hereby does, and will cause its Affiliates and its and their Sublicensees to, (i) effective as of the effective date of termination, assign to Surface all of its rights, title, and interests in and to all Regulatory Materials, filings for Pricing and Reimbursement Approval, Regulatory Approvals, Clinical Data and other material documentation, to the extent allowed under applicable Law and solely related to the Licensed Antibodies or Licensed Products that are then held by or owned or controlled by GSK or any of its Affiliates or Sublicensees and (ii) to the extent assignment pursuant to clause (i) is not permitted by applicable Law or not solely related to the Licensed Antibodies or Licensed Products that are then held by or owned or controlled by GSK or any of its Affiliates or Sublicensees, GSK will and hereby does grant to Surface an exclusive right of reference to such Regulatory Materials, filings for Pricing and Reimbursement Approval, Regulatory Approvals, Clinical Data and other material documentation, to the extent allowed under applicable Laws, for the Licensed Antibodies or the Licensed Products that are then held by or owned or controlled by GSK or any of its Affiliates or its or their Sublicensees for the continued Development and Commercialization thereof by Surface.

(e) License of Patent Rights related to Licensed Antibodies. GSK will and hereby does grant, effective as of the effective date of termination (without any further action required on the part of GSK), an exclusive, [***] license grant from GSK to Surface, with the right to sublicense (through multiple tiers) under the Patent Rights and Know-How Controlled by GSK or its Affiliates claiming or relating to the Development, Manufacture and Commercialization of the Licensed Antibody, that are necessary or were actually used by GSK or its Affiliates in the Development, Manufacture or Commercialization of the Licensed Product on or before the effective date of the termination, for Surface to Develop, Manufacture, or Commercialize the Licensed Antibody or the Licensed Product in the Field in the Territory. [***].

(f) Inventory. Upon termination of this Agreement, Surface will have the right to purchase all of GSK and its Affiliates' then-current remaining inventory of non-GMP drug substance, non-GMP drug substance, and Master or Working cell banks. If Surface makes such purchase, GSK will provide primary drug substance reference standard, record of analysis, and a summary report describing it characterization. No raw materials (including chromatography resins, filters, or consumables) will be transferred to Surface. Surface will have the right to purchase such remaining non-GMP inventory at a price equal to [***].

(g) Trademarks. Effective as of the date of termination, GSK will assign (or, if applicable, will cause its Affiliates or its or their Sublicensees to assign) to Surface all of GSK's (and such Affiliates' or its or their Sublicensees') worldwide right, title and interest in and to any Trademarks that is specific to and solely used for any Licensed Products (it being understood that the foregoing will not include any Trademarks that contain the corporate or business name(s) of GSK or any of its Affiliates or its or their Sublicensees).

(h) Transition Plan. The parties shall negotiate in good faith to agree a plan acceptable to both Parties for the transition of Development and Manufacture to Surface. GSK will provide any other assistance or take any other actions, in each case reasonably requested by Surface, as necessary to transfer to Surface the Development or Manufacture of the Licensed Antibodies and Licensed Products, and will execute all documents as may be reasonably requested by Surface in order to give effect to this Section 13.4.

(i) Patent Information. GSK, if requested in writing by Surface, will provide any (i) material correspondence with the relevant patent offices pertaining to GSK's Prosecution of the Licensed Patents, the Joint Patents and the European Opposition Proceeding to the extent not previously provided to Surface during the course of the Agreement and (ii) a report detailing the status of all Licensed Patents, Joint Patents and the European Opposition Proceeding at the time of termination.

(j) Return of Confidential Information. Within [***] after the effective date of termination (but not expiration) of this Agreement in its entirety, each Party will, and cause its Affiliates to (i) destroy all tangible items solely comprising, bearing or containing any Confidential Information of the other Party that are in such first Party's or its Affiliates' possession or control, and provide written certification of such destruction, or (ii) prepare such tangible items of the other Party's Confidential Information for shipment to such other Party, as such other Party may direct, at the first Party's expense; provided, however, that, in any event, (A) each Party may retain copies of the Confidential Information of the other Party to the extent necessary to perform its obligations or exercise its rights that survive termination of this Agreement; and (B) each Party may retain one copy of the Confidential Information of the other Party for its legal archives.

(k) Cooperation. Each Party will use reasonable efforts to cause its Affiliates, its and their sublicensees and subcontractors to comply with the obligations in this Section 13.4.

(l) Accrued Obligations. Termination of this Agreement for any reason will not release either Party from any obligation or liability which, on the effective date of such termination, has already accrued to the other Party or which is attributable to a period prior to such termination.

(m) Survival. The provisions set forth in the following Sections, as well as, to the extent applicable, any other Sections or defined terms referred to in such Sections or Articles or necessary to give them effect, will survive the expiration or termination of this Agreement in its entirety: ARTICLE VII (but only with respect to payments accrued thereunder prior to termination), ARTICLE VIII (with respect to the provisions regarding Joint Patents), ARTICLE XI, ARTICLE XII, ARTICLE XIV, ARTICLE XV, Section 2.5, Section 8.1, Section 8.5, Section 9.1, Section 9.3, Section 9.4, Section 10.6, Section 13.2, and this Section 13.4. Furthermore, any other provisions required to interpret the Parties' rights and obligations under this Agreement, including applicable definitions in ARTICLE I, will survive to the extent required. Except as otherwise expressly provided in this Agreement, including this Section 13.4, all rights and obligations of the Parties under this Agreement and any licenses granted under this Agreement, will terminate upon the expiration or termination of this Agreement in its entirety for any reason.

ARTICLE XIV
DISPUTE RESOLUTION

Section 14.1. Dispute Resolution; Escalation. The Parties recognize that disputes as to certain matters arising out of or in connection with this Agreement may arise from time to time. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising out of or in connection with this Agreement in an expedited manner by mutual cooperation. To accomplish this objective, any and all disputes between the Parties arising out of or in connection with this Agreement will first be referred to the Senior Officers for resolution and the Senior Officers will attempt to resolve the matter in good faith.

Section 14.2. Mediation. If the Parties' Senior Officers are unable for any reason to resolve a dispute within [***] of referral of the dispute to them, then the Parties agree that they shall try in good faith to resolve the dispute by referring it for confidential mediation under the CPR Mediation Procedure in effect at the start of mediation, before resorting to arbitration as set forth in Section 14.3. If the Parties cannot agree on a mediator within [***] after the dispute was referred to mediation, the mediator shall, upon request by either Party, be appointed by CPR pursuant to CPR Mediation Procedure. The cost of mediator shall be borne equally by the Parties.

Section 14.3. Arbitration. Except as set forth in this Section 14.3, each dispute, difference, controversy or claim arising in connection with or related or incidental to, or question occurring under, this Agreement or the subject matter hereof that cannot be resolved pursuant to Section 14.1 and Section 14.2 will be referred to and finally resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "Rules"). Arbitration proceedings may be commenced by either Party by notice to the other Party. Within [***] after the institution of the arbitration proceedings, each Party will appoint one (1) arbitrator with the third arbitrator to be selected by mutual agreement of the two (2) arbitrators appointed by the Parties, and each arbitrator will have significant experience in the biopharmaceutical industry. If the two initial arbitrators are unable to select a third arbitrator within [***], the third arbitrator will be appointed in accordance with the Rules. Unless otherwise agreed by the Parties, all such arbitration proceedings will be held in New York, New York; provided, however, that proceedings may be conducted by videoconference or telephone conference call with the consent of the Parties and the arbitrator(s). All arbitration proceedings will be conducted in the English language. The arbitrators will consider grants of equitable relief and orders for specific performance as co-equal remedies along with awards of monetary damages. The arbitrators will have no authority to award punitive damages. The allocation of expenses of the arbitration, including reasonable attorney's fees, will be determined by the arbitrators, or, in the absence of such determination, each Party will pay its own expenses. The Parties hereby agree that the arbitrators have authority to issue rulings and orders regarding all procedural and evidentiary matters that the arbitrators deem reasonable and necessary with or without petition therefore by the Parties as well as the final ruling and judgment. All rulings by the arbitrators will be final. Notwithstanding any contrary provision of this Agreement, any Party may seek equitable measures of protection in the form of attachment of assets or injunctive relief (including specific performance and injunctive relief) in any matter relating to the proprietary rights and interests of either Party from any court of competent jurisdiction, pending a decision by the arbitral tribunal in accordance with this Section 14.3). The Parties hereby exclude any right of appeal to any court on the merits of such matter. The provisions of this Section 14.3 may be enforced and judgment on the award (including equitable remedies) granted in any arbitration hereunder may be entered in any court having jurisdiction over the award or any of the Parties or any of their respective assets. Except to the extent necessary to confirm an award or as may be required by Laws, neither a Party nor an arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of both Parties as if any of the foregoing was the Confidential Information of each Party. The Parties agree that, in the event of a dispute over the nature or quality of performance under this Agreement, neither Party may terminate this Agreement until final resolution of the dispute through arbitration or other judicial determination. Nothing in this Section 14.3 will preclude either Party from seeking interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding.

Section 14.4. Notwithstanding the Parties' agreement to arbitrate, unless the Parties agree in writing in any particular case, claims and disputes between the Parties relating to or arising out of, or for which resolution depends in whole or in part on a determination of the interpretation, scope, validity, enforceability or infringement of, Patent Rights or of any Trademark rights relating to any Licensed Products will not be subject to arbitration under this Agreement, and the Parties may pursue whatever rights and remedies may be available to them under law or equity, including litigation in a court of competent jurisdiction, with respect to such claims and disputes. All questions concerning (a) inventorship of Patent Rights under this Agreement will be determined in accordance with Section 8.1 and (b) the

construction or effect of Patent Rights or with respect to Trademarks, will be determined in accordance with the Laws of the country or other jurisdiction in which the particular patent within such Patent Rights or the Trademark has been filed or granted, as the case may be.

Section 14.5. Jury Waiver. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES TO ARBITRATE AS SET FORTH IN Section 14.3. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

ARTICLE XV
MISCELLANEOUS

Section 15.1. Assignment; Successors.

(a) Assignment. This Agreement and the rights and obligations of each Party under this Agreement will not be assignable, delegable, transferable, pledged or otherwise disposed of by either Party without the prior written consent of the other Party; provided, however, that either Party may assign or transfer this Agreement together with all of its rights and obligations hereunder, without such consent (but with written notice to the other Party), (A) to an Affiliate or (B) to a successor in interest in connection with the transfer or sale of all or substantially all of its business or assets to which this Agreement relates, or in the event of its merger or consolidation, reorganization or similar transaction, subject to the assignee agreeing in writing to be bound by the terms and conditions of this Agreement. Any assignment in violation of this Section 15.1(a) will be null and void.

(b) Successors. Any permitted assignment of the rights and obligations of a Party under this Agreement will be binding on, and inure to the benefit of and be enforceable by and against, the successors and permitted assigns of the assigning Party. The permitted assignee or transferee will assume all obligations of its assignor or transferor under this Agreement. Any assignment or attempted assignment by either Party in violation of the terms of this Section 15.1(b) will be null, void and of no legal effect.

(c) Change of Control of Surface. Notwithstanding anything in this Agreement to the contrary, a Party or its Affiliates will be deemed to not Control any Know-How, Patent Right, Regulatory Material, Regulatory Approval or other property right that is owned or controlled by a Third Party described in the definition of "Change of Control," or such Third Party's Affiliates (other than an Affiliate of such Party prior to the Change of Control), (a) [***], except to the extent that any such Know-How, Patent Right, Regulatory Material, Regulatory Approval or other property right [***] Affiliate's Know-How, Patent Right, Regulatory Material, Regulatory Approval or other property right, or (b) [***] to the extent that such Know-How, Patent Right, Regulatory Material, Regulatory Approval or other property right [***] Affiliate's Know-How, Patent Right, Regulatory Material, Regulatory Approval or other property right. No assets of Surface or any of its Affiliates not owned or in-licensed by Surface or any of its Affiliates before a Change of Control will be subject to Section 2.8(a).

Section 15.2. Choice of Laws. This Agreement will be governed by and interpreted under the Laws of The State of New York, without regard to the conflicts of law principles thereof. The Parties agree to exclude the application to this Agreement of the United Nations Conventions on Contracts for the International Sale of Goods (1980).

Section 15.3. Notices. Any notice or report required or permitted to be given or made under this Agreement by one Party to the other will be in writing and will be deemed to have been delivered (a) upon personal delivery (upon written confirmation of receipt), (b) when received by the addressee, if sent by a reputable internationally recognized overnight courier that maintains records of delivery, or registered or certified mail, postage prepaid, return receipt requested and (c) in the case of notices provided by telecopy (which notice will be followed immediately by an additional notice pursuant to clause (a) or (b) above if the notice is of a default under this Agreement), upon completion of transmission, with transmission confirmed, to the addressee's facsimile machine, as follows (or at such other addresses or facsimile numbers as may have been furnished in writing by a Party to the

other as provided in this Section 15.3). This Section 15.3 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

If to Surface:	Surface Oncology, Inc. 50 Hampshire Street Cambridge, MA 02139 Attention: Chief Legal Officer
With copies to:	Goodwin Procter LLP 100 Northern Avenue Boston, MA 02210 Attention: [***]
If to GSK:	GlaxoSmithKline 259 E Grand Ave Fifth Floor, Suite 1 S. San Francisco, CA 94080 Attn: SVP & Head R&D Business Development
With copies to (which shall not constitute notice to):	GlaxoSmithKline 980 Great West Road Brentford, Middlesex TW8 9GS United Kingdom Attn: VP & Head of Legal Business Development & Corporate
With copies to (which shall not constitute notice to):	Covington & Burling LLP One CityCenter 850 Tenth Street, NW Washington, DC 20001 Attn: [***]

Section 15.4. Severability. In the event that one or more provisions of this Agreement is held invalid, illegal or unenforceable in any respect, then such provision will not render any other provision of this Agreement invalid or unenforceable, and all other provisions will remain in full force and effect and will be enforceable, unless the provisions that have been found to be invalid or unenforceable will substantially affect the remaining rights or obligations granted or undertaken by either Party. The Parties agree to attempt to substitute for any invalid or unenforceable provision a provision which achieves to the greatest extent possible the objectives of the invalid or unenforceable provision.

Section 15.5. Integration. This Agreement, together with all schedules and exhibits attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous arrangements between the Parties with respect to the subject matter hereof, whether written or oral, including, effective as of the Effective Date, the Prior CDA (provided that all information disclosed or exchanged under such agreement will be treated as Confidential Information hereunder). In the event of a conflict between any schedules or attachments to this Agreement, on the one hand, and this Agreement, on the other hand, the terms of this Agreement will govern. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth in this Agreement.

Section 15.6. Waivers and Amendments. The failure of any Party to assert a right under this Agreement or to insist upon compliance with any term or condition of this Agreement will not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other Party. The exercise by any Party of any right or election under the terms or covenants herein will not preclude or prejudice any Party from exercising the same or any other right it may have under this Agreement, irrespective of any previous action or proceeding taken by the Parties hereunder. Notwithstanding the authority granted to the JDC under this Agreement, (a) no waiver will be effective unless it has been given in writing and signed by the Party giving such waiver, and (b) no provision of this Agreement may be amended or modified other than by a written document signed by authorized representatives of each Party.

Section 15.7. Independent Contractors; No Agency. Neither Party will have any responsibility for the hiring, firing or compensation of the other Party's or such other Party's Affiliates' employees or for any employee benefits with respect thereto. No employee or representative of a Party or its Affiliates will have any authority to bind or obligate the other Party for any sum or in any manner whatsoever, or to create or impose any contractual or other liability on such other Party, without such other Party's written approval. For all purposes, and notwithstanding any other provision of this Agreement to the contrary, each Party's legal relationship under this Agreement to the other Party will be that of independent contractor, and the relationship between the two Parties will not constitute a partnership, joint venture, or agency, including for all tax purposes, except as otherwise required by applicable Law.

Section 15.8. Affiliates, Sublicensees, and subcontractors. To the extent that this Agreement imposes obligations on Affiliates, Sublicensees or subcontractors of a Party, such Party will cause its Affiliates and its and their sublicensees and subcontractors to perform such obligations, as applicable. Either Party may use one or more of its Affiliates, its or their sublicensees or subcontractors to perform its obligations and duties or exercise its rights under this Agreement, solely to the extent permitted and as specified in this Agreement; provided, however, that (a) each such Affiliate, Sublicensee or subcontractor will perform any such obligations delegated to it in compliance with the applicable terms and conditions of this Agreement as if such Affiliate, Sublicensee or subcontractor were a party hereto, (b) the performance of any obligations of a Party's by its Affiliates, its or their sublicensees or subcontractors will not diminish, reduce or eliminate any obligation of such Party under this Agreement, (c) the Party using such contractor will terminate promptly any subcontractor, and will give the other Party notice of such termination, in the case of any material breach of this Agreement by such subcontractor and (d) subject to such Party's assignment to an Affiliate pursuant to Section 15.1, such Party will remain liable under this Agreement for the prompt payment and performance of all of its obligations under this Agreement. Subject to this Section 15.8, if a Party exercises its rights and performs its obligations under this Agreement through one or more of its Affiliates, "Surface" will be interpreted to mean "Surface or its Affiliates" and "GSK" will be interpreted to mean "GSK or its Affiliates" where necessary to give each Party's Affiliates the benefit of the rights provided to such Party in this Agreement and the ability to perform its obligations under this Agreement.

Section 15.9. No Third Party Beneficiary Rights. The representations, warranties, covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they will not be construed as conferring any rights on any other Third Party. This Agreement is not intended to and will not be construed to give any Third Party any interest or rights (including any Third Party beneficiary rights) with respect to or in connection with any agreement or provision contained herein or contemplated hereby, other than, to the extent provided in ARTICLE XI, the Indemnified Parties.

Section 15.10. Non-exclusive Remedy. Except as expressly provided herein, the rights and remedies provided herein are cumulative and each Party retains all remedies at law or in equity, including the Parties' ability to receive legal damages or equitable relief, with respect to any breach of this Agreement. Neither Party will be required (but, for clarity, will have the right as specified in this Agreement) to terminate this Agreement due to a breach of this Agreement by the other Party.

Section 15.11. Interpretation. The Article and Section headings used herein are for reference and convenience only, and will not enter into the interpretation of this Agreement. Except as otherwise explicitly specified to the contrary, (a) references to an Article, Section or Exhibit means an Article or Section of, or a Schedule or Exhibit to this Agreement and all subsections thereof, unless another agreement is specified; (b) references in any Section to any clause are references to such clause of such Section; (c) references to any agreement, instrument, or other document in this Agreement refer to such agreement, instrument, or other document as originally executed or, if subsequently amended, replaced, or supplemented from time to time, as so amended, replaced, or supplemented and in effect at the relevant time of reference thereto; (d) references to a particular "Laws" mean such Laws as in effect as of the relevant time, including all rules and regulations thereunder and any successor Laws in effect as of the relevant time, and including the then-current amendments thereto; (e) words in the singular or plural form include the plural and singular form, respectively; (f) unless the context requires a different interpretation, the word "or" has the inclusive meaning that is typically associated with the phrase "and/or"; (g) the terms "including," "include(s)," "such as," "e.g." and "for example" mean including the generality of any description preceding such term and will be deemed to be followed by "without limitation"; (h) whenever this Agreement refers to a number of days, such number will refer to calendar days unless Business Days are specified, and if a period of time is specified and dates from a given day or Business Day, or the day or Business Day of an act or event, it is to be calculated exclusive of that day or

Business Day; (i) "monthly" means on a calendar month basis, (j) "quarter" or "quarterly" means on a Calendar Quarter basis; (k) "annual" or "annually" means on a Calendar Year basis; (l) "year" means a 365 day period unless Calendar Year is specified; (m) references to a particular Person include such Person's successors and assigns to the extent not prohibited by this Agreement; (n) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa); (o) a capitalized term not defined herein but reflecting a different part of speech than a capitalized term which is defined herein will be interpreted in a correlative manner; (p) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (q) the words "hereof," "herein," "hereby" and derivative or similar words refer to this Agreement (including any Exhibits or Schedules); (r) neither Party or its Affiliates will be deemed to be acting "on behalf of" the other Party under this Agreement, except to the extent expressly otherwise provided; (s) provisions that require that a Party, or the JDC hereunder "agree", "consent" or "approve" or the like will be deemed to require that such agreement, consent or approval be specific and in writing in a written agreement, letter or approved minutes, but, except as expressly provided herein, excluding e-mail and instant messaging; and (t) the word "shall" will be construed to have the same meaning and effect as the word "will".

Section 15.12. Further Assurances. Each Party will duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement (including working collaboratively to correct and clerical, typographical, or other similar errors in this Agreement).

Section 15.13. Ambiguities; No Presumption. Each of the Parties acknowledges and agrees that this Agreement has been diligently reviewed by and negotiated by and between them, that in such negotiations each of them has been represented by competent counsel and that the final agreement contained herein, including the language whereby it has been expressed, represents the joint efforts of the Parties hereto and their counsel. Accordingly, in interpreting this Agreement or any provision hereof, no presumption will apply against any Party as being responsible for the wording or drafting of this Agreement or any such provision, and ambiguities, if any, in this Agreement will not be construed against any Party under the rule of construction, irrespective of which Party may be deemed to have authored the ambiguous provision.

Section 15.14. Execution in Counterparts; PDF Signatures. This Agreement may be executed in counterparts, each of which counterparts, when so executed and delivered, will be deemed to be an original, and all of which counterparts, taken together, will constitute one and the same instrument even if both Parties have not executed the same counterpart. Signatures provided in Adobe™ Portable Document Format (PDF) sent by electronic mail will be deemed to be original signatures.

Section 15.15. Export Control. This Agreement is made subject to any restrictions required by applicable Laws concerning the export of products or technical information from the U.S. or other countries which may be imposed upon or related to the Parties from time to time. Each Party agrees that it will not export, directly or indirectly, any technology licensed to it or other technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, except in compliance with U.S. export Laws and regulations.

[Remainder of this page intentionally blank.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative on the Effective Date.

SURFACE ONCOLOGY, INC.

/s/ J. Jeffrey Goater

Name: J. Jeffrey Goater
Title: Chief Executive Officer

GLAXOSMITHKLINE INTELLECTUAL PROPERTY NO. 4 LIMITED

/s/ [***]
Name: [***]
Title: [***]

[Signature Page to License Agreement]

Exhibit A

LICENSED ANTIBODIES

[***]
Exhibit A

Exhibit B

LICENSED PATENTS

[***]
Exhibit B

Exhibit C

TRANSITION PLAN

[***]
Exhibit C

Exhibit D

[***]

[See attached.]
Exhibit D

[***]

[***]

Schedule 9.2

Form of Press Release

[See Attached]

[***]

Exhibit 10.35

AMENDMENT NO. 1 TO LICENSE AGREEMENT

This Amendment No. 1 ("**Amendment No. 1**") to the License Agreement dated December 20, 2020 between GlaxoSmithKline Intellectual Property (No. 4) Limited, having a principal place of business at 980 Great West Road, Brentford, Middlesex TW8 9GS United Kingdom ("**GSK**") and Surface Oncology, Inc., having a place of business at 50 Hampshire Street, Cambridge MA 02139 ("**Surface**") is effective as of August 11, 2021 ("**Amendment Effective Date**"). Each of GSK and Surface may be referred to herein as a "**Party**" and together, the "**Parties**".

RECITALS

WHEREAS, GSK and Surface desire to amend the Transition Plan as set forth on Exhibit C hereto, in accordance with Section 15.6.

NOW THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

2. Transition Plan. The Parties agree to amend the Transition Plan as attached hereto as Exhibit C in order to permit Surface to order [***] of Licensed Product from the Existing CMO for transfer to GSK, as described in more detail in the Transition Plan. The Transition Plan sets forth the additional Transition Costs to be reimbursed to Surface by GSK in connection with the Manufacture of [***] of Licensed Product in accordance with Section 3.4 of the Agreement. Further, the Parties acknowledge and agree that [***] in accordance with the Transition Plan.

IN WITNESS WHEREOF, each Party has caused this Amendment No. 1 to be duly executed by its authorized representative on the Amendment Effective Date.

SURFACE ONCOLOGY, INC.

/s/ Robert Ross
Name: Robert Ross, MD
Title: President and CEO

/s/ Jessica Fees
Name: Jessica Fees
Title: Chief Financial Officer

DATE: 18TH AUGUST 2021

GLAXOSMITHKLINE INTELLECTUAL PROPERTY NO. 4 LIMITED

/s/ John Sadler
NAME: JOHN SADLER
AUTHORISED SIGNATORY
FOR AND ON BEHALF OF
THE WELLCOME FOUNDATION LIMITED
CORPORATE DIRECTOR

/s/ Claire MacLeod
NAME: CLAIRE MACLEOD
AUTHORISED SIGNATORY
FOR AND ON BEHALF OF
EDINBURGH PHARMACEUTICAL INDUSTRIES LIMITED
CORPORATE DIRECTOR

EXHIBIT C
TRANSITION PLAN
[***]

[***] Certain information in this exhibit has been omitted because it is permitted to be omitted by applicable regulatory guidance.

SIXTH AMENDMENT

THIS SIXTH AMENDMENT (this "**Amendment**") is made and entered into as of October 24, 2023, by and between **HUDSON 333 TWIN DOLPHIN PLAZA, LLC, a Delaware limited liability company** ("**Landlord**"), and **COHERUS BIOSCIENCES, INC., a Delaware corporation** ("**Tenant**").

RECITALS

A. Landlord and Tenant are parties to that certain lease dated July 6, 2015, as previously amended by that certain First Amendment dated August 10, 2015, as confirmed by that certain Confirmation Letter dated December 22, 2015, as further amended by that certain Second Amendment dated September 21, 2016 ("**Second Amendment**"), that certain Third Amendment dated May 24, 2019, that certain Fourth Amendment dated September 4, 2019 ("**Fourth Amendment**"), that certain Notice of Lease Term Dates dated October 16, 2019, and that certain Fifth Amendment dated December 6, 2019 (as amended, the "**Lease**"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **47,789** rentable square feet (the "**Currently Existing Premises**") at the building commonly known as 333 Twin Dolphin located at 333 Twin Dolphin Drive, Redwood City (the "**Building**") and described as (i) Suite 425 ("**Suite 425**") consisting of approximately **7,448** rentable square feet on the fourth floor of the Building, (ii) Suite 450 ("**Suite 450**") consisting of approximately **12,809** rentable square feet on the fourth floor of the Building; and (iii) Suite 600 ("**Suite 600**" or "**Remaining Premises**") consisting of approximately **27,532** rentable square feet on the sixth floor of the Building.

B. The Lease will expire by its terms on September 30, 2024 (the "**Extended Expiration Date**"). Except as provided in Recital C below, the parties wish to extend the term of the Lease on the following terms and conditions.

C. With respect to each of Suite 425 and Suite 450 (both as more particularly shown on **Exhibit A** attached hereto, the "**Reduction Space**"), the parties wish to accelerate the Extended Expiration Date, on the following terms and conditions.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension.** Except as provided in Section 2 below, the term of the Lease is hereby extended through September 30, 2027 (the "**Second Extended Expiration Date**"). The portion of the term of the Lease beginning on the date immediately following the Extended Expiration Date (the "**Second Extension Date**") and ending on the Second Extended Expiration Date shall be referred to herein as the "**Second Extended Term**".

2. **Reduction.**

2.1. **Reduction Space Expiration Date.** Subject to the terms hereof, the term of the Lease shall expire, with respect to the Reduction Space only, on December 31, 2023 (the "**Reduction Space Expiration Date**") with the same force and effect as if such term were, by the provisions of the Lease, fixed to expire with respect to the Reduction Space on the Reduction Space Expiration Date (the "**Reduction**"). Without limiting the foregoing: (a) from and after the date immediately following the Reduction Space Expiration Date (the "**Reduction Effective Date**"), the Premises shall consist solely of the Remaining Premises and shall be deemed to contain **27,532** rentable square feet, (b) Tenant shall surrender the Reduction Space to Landlord in accordance with the terms of the Lease (as amended by Section 2.2 below) on or before the Reduction Space Expiration Date, (c) Tenant shall remain liable for all Rent and other amounts payable under the Lease with respect to the Reduction Space for the period up to and including the Reduction Space Expiration Date, even though billings for such amounts may occur after the Reduction Space Expiration Date, (d) Tenant's restoration obligations with respect to the Reduction Space shall be as set forth in the Lease (as amended by Section 2.2 below), and (e) if Tenant fails to surrender any portion of the Reduction Space on or before the Reduction Space Expiration Date, Tenant's tenancy with respect to the Reduction Space shall be subject to Section 16 of the Lease.

2.2. **Landlord Waiver**. Notwithstanding Section 8 of the Lease (entitled, Landlord's Property), Section 15 of the Lease (entitled, Surrender) and/or any other similar provision of the Lease, Tenant shall not be required to remove (nor pay for the removal of) any Tenant-Insured Improvement (as defined in Section 10.2.2 of the Lease) existing in the Reduction Space on the date of mutual execution and delivery of this Amendment.

3. **Base Rent.**

3.1. **Remaining Premises During Second Extended Term.** With respect to the Remaining Premises during the Second Extended Term, the schedule of Base Rent shall be as follows:

Period of Second Extended Term	Annual Rate Per Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent
October 1, 2024 – September 30, 2025	$64.20	$147,296.20
October 1, 2025 – September 30, 2026	$66.13	$151,715.09
October 1, 2026 – September 30, 2027	$68.11	$156,266.54

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

3.2. **Remaining Premises During Period Beginning on Reduction Effective Date and Ending on Extended Expiration Date.** With respect to the Remaining Premises during the period beginning on the Reduction Effective Date and ending on the Extended Expiration Date, the schedule of Base Rent shall be as follows:

Period	Annual Rate Per Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent
Reduction Effective Date through Extended Expiration Date	$72.92	$167,311.97

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

Notwithstanding the foregoing, Base Rent for the Remaining Premises shall be abated, (i) in the amount of $167,311.97 with respect to the month of July, 2024 and (ii) in the amount of $85,766.03 with respect to the month of August, 2024.

4. **Additional Security Deposit.** The parties acknowledge and agree that Landlord is holding $342,773.00 as the Security Deposit under the Lease. Effective as of the date hereof the amount of the Security Deposit shall be reduced to $156,266.54; and, within 30 days hereof, Landlord shall return to Tenant any then unapplied portion of the Security Deposit exceeding such reduced amount.

5. **Tenant's Share For Remaining Premises.** With respect to the Remaining Premises during the Second Extended Term (and any period beginning on the Reduction Effective Date and ending on the Extended Expiration Date), Tenant's Share shall be 15.0622%.

6. **Expenses and Taxes For Remaining Premises.** With respect to the Remaining Premises during the Second Extended Term (and any period beginning on the Reduction Effective Date and ending on the Extended Expiration Date), Tenant shall pay for Tenant's Share of Expenses and Taxes in accordance with the terms of the Lease; provided, however, that, with respect to the Remaining Premises during the Second Extended Term, the Base Year for Expenses and Taxes shall be calendar year 2024.

7. **Improvements to Remaining Premises.**

7.1. **Configuration and Condition of Remaining Premises.** Tenant acknowledges that it is in possession of the Remaining Premises and agrees to accept them "as is" without any representation by Landlord regarding their configuration or condition and without any obligation on the part of Landlord to perform or pay for any alteration or improvement, except as may be otherwise expressly provided in this Amendment.

7.2. **Responsibility for Improvements to Remaining Premises.** Any improvements to the

Remaining Premises performed by Tenant shall be paid for by Tenant and performed in accordance with the terms of the Lease.

8. **Representations.** Tenant represents and warrants that, as of the date hereof and the Reduction Space Expiration Date: (a) Tenant is the rightful owner of all of the Tenant's interest in the Lease; (b) Tenant has not subleased the Reduction Space or made any disposition, assignment or conveyance of the Lease or Tenant's interest therein; (c) Tenant has no knowledge of any fact or circumstance which would give rise to any claim, demand, obligation, liability, action or cause of action arising out of or in connection with Tenant's occupancy of the Reduction Space; (d) no other person or entity has an interest in the Lease, collateral or otherwise; and (e) there are no outstanding contracts for the supply of labor or material and no work has been done or is being done in, to or about the Reduction Space which has not been fully paid for and for which appropriate waivers of mechanic's liens have not been obtained.

9. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

9.1. **Energy Usage.** If Tenant (or any party claiming by, through or under Tenant) pays directly to the provider for any energy consumed at the Project, Tenant, promptly upon request, shall deliver to Landlord (or, at Landlord's option, execute and deliver to Landlord an instrument enabling Landlord to obtain from such provider) any data about such consumption that Landlord, in its reasonable judgment, is required for benchmarking purposes or to disclose to a prospective buyer, tenant or mortgage lender under any applicable law.

9.2. **California Civil Code Section 1938.** Pursuant to California Civil Code § 1938, Landlord hereby states that the Currently Existing Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52).

Accordingly, pursuant to California Civil Code § 1938(e), Landlord hereby further states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises".

In accordance with the foregoing, Landlord and Tenant agree that if Tenant requests a CASp inspection of the Currently Existing Premises, then Tenant shall pay (i) the fee for such inspection, and (ii) except as may be otherwise expressly provided in this Amendment, the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Currently Existing Premises.

9.3 **Parking**. Effective as of the Reduction Effective Date, Section 1.9 of the Lease (as amended prior to the date hereof) is hereby amended and restated as the following:

"1.9 Parking: 86 unreserved parking spaces, at the rate of $0.00 per space per month, as such rate may be adjusted from time to time to reflect Landlord's then current rates.

Five (5) reserved parking space, as shown on **Exhibit G** to the Fourth Amendment, at the rate of $0.00 per space per month, as such rate may be adjusted from time to time to reflect Landlord's then current rates."

9.4 **Deletions**. Section 8 of the Second Amendment (entitled, Right of First Offer), as amended prior to the date hereof, is hereby deleted from the Lease and is of no further force or effect. Section 9 of the Fourth Amendment (entitled, Second Extension Option), as amended prior to the date hereof, is hereby deleted from the Lease and is of no further force or effect.

9.5 **Address of Landlord**. The address of Landlord set forth in Section 1.11 of the Lease (as amended prior to the date hereof) is hereby amended and restated as follows:

"Hudson 333 Twin Dolphin Plaza, LLC
c/o Hudson Pacific Properties

555 Twin Dolphin Drive, Suite 180
Redwood City, California 94065
Attn: Building manager

with copies to:

Hudson 333 Twin Dolphin Plaza, LLC
c/o Hudson Pacific Properties
333 Twin Dolphin Drive, Suite 100
Redwood City, California 94065
Attn: Managing Counsel

and:

Hudson 333 Twin Dolphin Plaza, LLC
c/o Hudson Pacific Properties
11601 Wilshire Boulevard, Suite 900
Los Angeles, California 90025
Attn: Lease Administration"

10. **Miscellaneous.**

10.1. This Amendment and the attached exhibits, which are hereby incorporated into and made a part of this Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Tenant shall not be entitled, in connection with entering into this Amendment, to any free rent, allowance, alteration, improvement or similar economic incentive to which Tenant may have been entitled in connection with entering into the Lease, except as may be otherwise expressly provided in this Amendment.

10.2. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

10.3. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

10.4. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered it to Tenant.

10.5. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the parties hereto which are delivered by facsimile, PDF or DocuSign (or the like) as constituting a duly authorized, irrevocable, actual, current delivery hereof with original ink signatures of each person and entity. This Amendment may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement.

10.6. Capitalized terms used but not defined in this Amendment shall have the meanings given in the Lease.

10.7. Tenant shall indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Newmark) claiming to have represented Tenant in connection with this Amendment. Landlord shall indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment. Tenant acknowledges that any assistance rendered by any agent or employee of any affiliate of Landlord in connection with this Amendment has been made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

HUDSON 333 TWIN DOLPHIN PLAZA, LLC, a Delaware limited liability company

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: __/s/ Arther X. Suaso_____
Name: Arthur X. Suaso
Title: Executive Vice President, Leasing

TENANT:

COHERUS BIOSCIENCES, INC., a Delaware corporation

By: _____/s/ Dennis M. Lanfear_____
Name: Dennis M. Lanfear
Title: Chief Executive Officer

EXHIBIT A

OUTLINE AND LOCATION OF REDUCTION SPACE

[***]

EXHIBIT 10.37

[***] CERTAIN INFORMATION IN THIS EXHIBIT HAS BEEN OMITTED BECAUSE IT IS PERMITTED TO BE OMITTED BY APPLICABLE REGULATORY GUIDANCE.

AMENDMENT TO AND WAIVER UNDER EXCLUSIVE LICENSE AND COMMERCIALIZATION AGREEMENT

This Amendment to and Waiver under the Exclusive License and Commercialization Agreement (this "Amendment") is made and entered into as of October 25, 2023, by and between Shanghai Junshi Biosciences Co., Ltd. ("Junshi") and Coherus BioSciences, Inc. ("Coherus"). Each of Junshi and Coherus is sometimes referred to herein, individually, as a "Party" and, collectively as the "Parties."

WHEREAS, [***];

WHEREAS, [***]; and,

WHEREAS, Coherus desires to amend the due date for a milestone payment and [***].

NOW, THEREFORE, in consideration of the foregoing and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation of the Agreement: To the extent any terms and provisions of the Agreement are inconsistent with the amendments set forth in paragraphs 2 and 3 below, such terms and provisions shall be deemed superseded hereby. Except as specifically set forth herein, the Agreement shall remain in full force and effect and its provisions shall be binding on the Parties.

2. Amendment of the Agreement: The timing for the due date of Milestone Event No. 2 set forth in Table 8.3(a) of the Agreement – Regulatory and Sales Milestones for the PD1 Program is hereby amended by adding the following new material to the end of the text of clause (a) of Section 8.3 of the Agreement immediately preceding such table (with new material added underlined):

> "**For the PD1 Program**. Coherus will make the one-time milestone payments set forth in Table 8.3(a) of the Agreement upon the first achievement by Coherus or its Affiliates or Sublicensees of the corresponding milestone event by the first Licensed Product that contains a Licensed Antibody described in clause (a) of the definition of Licensed Antibody, provided that such payment for Milestone Event No. 2 will be payable upon the later of (i) actual receipt of such first Regulatory Approval from FDA and (ii) [***], and in case of (i) or (ii), such payment would become due on [***], assuming such first Regulatory Approval from the FDA is obtained by [***]."

3. [***]

4. Effectuation: The amendment to and waiver under the Agreement contemplated by this Amendment shall be deemed effective as of the date first written above upon the full execution and delivery of this Amendment and without any further action required by the Parties.

5. Counterparts: This Amendment may be executed in two counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. One or more counterparts of this Amendment may be delivered by facsimile or electronic mail, with the intention that delivery by such means shall have the same effect as delivery of an original counterpart thereof.

[*signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Amendment by their duly authorized representatives.

SHANGHAI JUNSHI BIOSCIENCES CO., LTD.	COHERUS BIOSCIENCES, INC.
By: ____/s/ Dr. Ning Li_____	By: _/s/ McDavid Stilwell_____
Name: Dr. Ning Li	Name: McDavid Stilwell
Title: CEO	Title: Chief Financial Officer

EXHIBIT 10.38

COHERUS BIOSCIENCES, INC.
INSIDER TRADING COMPLIANCE POLICY AND PROCEDURES

Effective February 27, 2023

I. SUMMARY

Federal and state laws prohibit trading in the securities of a company while in possession of material non-public information and in breach of a duty of trust or confidence. These laws also prohibit anyone who is aware of material non-public information from providing this information to others who may trade. Violating such laws can undermine investor trust, harm the reputation and integrity of Coherus BioSciences, Inc. (together with its subsidiaries, the "**Company**"), and result in dismissal from the Company or even serious criminal and civil charges against the individual and the Company. The Company reserves the right to take whatever disciplinary or other measure(s) it determines in its sole discretion to be appropriate in any particular situation, including disclosure of wrongdoing to governmental authorities.

This Insider Trading Compliance Policy and Procedures (this "**Policy**") applies to all officers, directors and employees of the Company. For purposes of this Policy, "officers" refer to those individuals who meet the definition of "officer" under Section 16 of the Securities Exchange Act of 1934 (as amended, the "**Exchange Act**"). Individuals subject to this Policy are responsible for ensuring that members of their household comply with this Policy. This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, limited liability companies, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy as if they were for the individual's own account. The Company may determine that this Policy applies to additional persons with access to material non-public information, such as contractors or consultants. Officers, directors and employees, together with any other person designated as being subject to this Policy by the Chief Legal Officer or his or her designee (the "**Compliance Officer**"), are referred to collectively as "**Covered Persons**."

Questions regarding the Policy should be directed to the Compliance Officer, who is responsible for the administration of this Policy.

II. STATEMENT OF POLICIES PROHIBITING INSIDER TRADING

No Covered Person shall purchase or sell any type of security while in possession of material non-public information relating to the security or the issuer of such security in breach of a duty of trust or confidence, whether the issuer of such security is the Company or any other company. In addition, if a Covered Person is in possession of material non-public information about other publicly-traded companies, such as suppliers, customers, competitors or potential acquisition targets, the Covered Person may not trade in such other companies' securities until the information becomes public or is no longer material. Further, no Covered Person shall purchase or sell any security of any other company, including another company in the Company's industry, while in possession of material non-public information if such information is obtained in the course of the Covered Person's employment or service with the Company.

In addition, Covered Persons shall not directly or indirectly communicate material non-public information to anyone outside the Company (except in accordance with the Company's policies regarding confidential information) or to anyone within the Company other than on a "need-to-know" basis.

III. EXPLANATION OF INSIDER TRADING

"**Securities**" includes stocks, bonds, notes, debentures, options, warrants, equity and other convertible securities, as well as derivative instruments.

"Purchase" and "sale" are defined broadly under the federal securities law. "**Purchase**" includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. "**Sale**" includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options, transfers, gifts and acquisitions and exercises of warrants or puts, calls, pledging and margin loans or other derivative securities.

Information is considered "**material**" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security, or if the information is likely to have a significant effect on the market price of the security. Material information can be positive or negative, and can relate to virtually any aspect of a company's business or to any type of security, debt, or equity. Also, information that something is likely to happen in the future—or even just that it may happen—could be deemed material.

Examples of material information may include (but are not limited to) information about: corporate earnings or earnings forecasts; dividends; possible mergers, acquisitions, tender offers or dispositions; major new products or product developments; important business developments, such as major contract awards or cancellations and developments regarding strategic collaborations; management or control changes; significant borrowing or financing developments, including pending public sales or offerings of debt or equity securities; defaults on borrowings; bankruptcies; the results of clinical trials; U.S. Food and Drug Administration and foreign regulatory approvals; cybersecurity or data security incidents; and significant litigation or regulatory actions.

IV. STATEMENT OF PROCEDURES PREVENTING INSIDER TRADING

The following procedures have been established, and will be maintained and enforced, by the Company to prevent insider trading. Every officer, director and employee is required to follow these procedures.

A. Blackout Periods

No director, officer or employee listed on **Schedule I**, as amended from time to time, (as well as any individual or entity covered by this Policy by virtue of their relationship to such director, officer or employee) shall purchase or sell any security of the Company during the period beginning at 11:59 pm PT on the 22nd calendar day of the last month of any fiscal quarter of the Company and ending after completion of the second full trading day after the public release of earnings data for

such fiscal quarter or during any other trading suspension period declared by the Company, such period, a "**blackout period**." A "trading day" is a day on which U.S. national stock exchanges are open for trading. If, for example, the Company were to make an announcement on Monday prior to 9:30 a.m. Eastern Time, then the blackout period would terminate after the close of trading on Tuesday. If an announcement were made on Monday after 9:30 a.m. Eastern Time, then the blackout period would terminate after the close of trading on Wednesday. If you have any question as to whether information is publicly available, please direct an inquiry to the Compliance Officer.

These prohibitions do not apply to:

- purchases of the Company's securities from the Company, or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards, in each case, that do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option or other equity award through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception);
- purchases of the Company's common stock in accordance with the Company's 2014 Employee Stock Purchase Plan and the applicable equity award agreement;
- *bona fide* gifts of the Company's securities, unless the individual making the gift knows, or is reckless in not knowing, the recipient intends to sell the securities while the donor is in possession of material non-public information about the Company; and
- purchases or sales of the Company's securities made pursuant to a plan adopted to comply with the Exchange Act Rule 10b5-1 ("**Rule 10b5-1**").

Exceptions to the blackout period policy may be approved only by the Compliance Officer or Chief Financial Officer or, in the case of exceptions for directors, the Board of Directors.

The Compliance Officer may recommend that directors, officers, employees or others suspend trading in Company securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all of those individuals affected should not trade in the Company's securities while the suspension is in effect and should not disclose to others that the Company has suspended trading.

B. Preclearance of Trades by Directors, Officers and Employees

All transactions in the Company's securities by directors, officers, and employees listed on **Schedule II** (each, a "**Preclearance Person**") must be precleared by the Compliance Officer or the Chief Financial Officer for transactions by the Compliance Officer. Preclearance should not be understood to represent legal advice by the company that a proposed transaction complies with the law.

A request for preclearance must be in writing, should be made at least two business days in advance of the proposed transaction, and should include the identity of the Preclearance Person, a description of the proposed transaction, the proposed date of the transaction and the

number of shares or other securities involved. In addition, the Preclearance Person must execute a certification that he or she is not aware of material non-public information about the Company. The Compliance Officer, or the Chief Financial Officer for transactions by the Compliance Officer, shall have sole discretion to decide whether to clear any contemplated transaction. All trades that are precleared must be effected within five business days of receipt of the preclearance. A precleared trade (or any portion of a precleared trade) that has not been effected during the five business day period must be submitted for preclearance determination again prior to execution. Notwithstanding receipt of preclearance, if the Preclearance Person becomes aware of material non-public information, or becomes subject to a blackout period before the transaction is effected, the transaction may not be completed. Transactions under a previously established Rule 10b5-1 Trading Plan that has been preapproved in accordance with this Policy are not subject to further preclearance.

None of the Company, the Compliance Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for preclearance.

C. Post-Termination Transactions

If an individual is in possession of material non-public information when the individual's service terminates, the individual may not trade in the Company's securities until that information has become public or is no longer material.

D. Information Relating to the Company

Access to material non-public information about the Company, including the Company's business, earnings or prospects, should be limited to officers, directors and employees of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances (except in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company on an other than need-to-know basis.

In communicating material non-public information to employees of the Company, all officers, directors and employees must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

V. PROHIBITED TRANSACTIONS

The Company has determined that there is a heightened legal risk and the appearance of improper or inappropriate conduct if persons subject to this Policy engage in certain types of transactions. Therefore, Covered Persons shall comply with the following policies with respect to certain transactions in the Company's securities:

A. Short Sales

Short sales of the Company's securities are prohibited by this Policy. Short sales of the Company's securities, or sales of shares that the insider does not own at the time of sale, or sales of shares against which the insider does not deliver the shares within 20 days after the sale, evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in the Company or its short-term

prospects. In addition, Section 16(c) of the Exchange Act prohibits Section 16 reporting persons (i.e., directors, officers and the Company's 10% stockholders) from making short sales of the Company's equity securities.

B. Options

Transactions in puts, calls or other derivative securities involving the Company's equity securities, on an exchange, on an over-the-counter market or in any other organized market, are prohibited by this Policy. A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and, therefore, creates the appearance that a Covered Person is trading based on material non-public information. Transactions in options, whether traded on an exchange, on an over-the-counter market or any other organized market, also may focus a Covered Person's attention on short-term performance at the expense of the Company's long-term objectives.

C. Hedging Transactions

Hedging transactions involving the Company's securities, such as prepaid variable forward contracts, equity swaps, collars and exchange funds, or other transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's equity securities, are prohibited by this Policy. Such transactions allow the Covered Person to continue to own the covered securities but without the full risks and rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives as the Company's other stockholders.

D. Margin Accounts and Pledging

Individuals are prohibited from pledging Company securities as collateral for a loan, purchasing Company securities on margin (i.e., borrowing money to purchase the securities) or placing Company securities in a margin account. This prohibition does not apply to cashless exercises of stock options under the Company's equity plans, nor to situations approved in advance by the Compliance Officer.

E. Partnership Distributions

Nothing in this Policy is intended to limit the ability of an investment fund, venture capital partnership or other similar entity with which a director is affiliated to distribute Company securities to its partners, members or other similar persons. It is the responsibility of each affected director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances, and applicable securities laws.

VI. RULE 10b5-1 TRADING PLANS

The trading restrictions set forth in this Policy, other than those transactions described under "V. Prohibited Transactions," do not apply to transactions under a previously established contract, plan or instruction to trade in the Company's securities entered into in accordance with Rule 10b5-1 (a "**Trading Plan**") that:

- has been submitted to and preapproved by the Compliance Officer;
- includes a "Cooling Off Period" for:

- Section 16 reporting persons that extends to the later of 90 days after adoption or modification of a Trading Plan or two business days after filing the Form 10-K or Form 10-Q covering the fiscal quarter in which the Trading Plan was adopted, up to a maximum of 120 days; and

- employees and any other persons, other than the Company, that extends 30 days after adoption or modification of a Trading Plan;

- for Section 16 reporting persons, includes a representation in the Trading Plan that the Section 16 reporting person is (1) not aware of any material non-public information about the Company or its securities; and (2) adopting the Trading Plan in good faith and not as part of a plan or scheme to evade Rule 10b-5;

- has been entered into in good faith at a time when the individual was not in possession of material non-public information about the Company and not otherwise in a blackout period, and the person who entered into the Trading Plan has acted in good faith with respect to the Trading Plan;

- either (1) specifies the amounts, prices and dates of all transactions under the Trading Plan; or (2) provides a written formula, algorithm or computer program for determining the amount, price and date of the transactions, and (3) prohibits the individual from exercising any subsequent influence over the transactions; and

- complies with all other applicable requirements of Rule 10b5-1.

The Compliance Officer may impose such other conditions on the implementation and operation of the Trading Plan as the Compliance Officer deems necessary or advisable. Individuals may not adopt more than one Trading Plan at a time except under the limited circumstances permitted by Rule 10b5-1 and subject to preapproval by the Compliance Officer.

An individual may only modify a Trading Plan outside of a blackout period and, in any event, when the individual does not possess material non-public information. Modifications to and terminations of a Trading Plan are subject to preapproval by the Compliance Officer, and modifications of a Trading Plan that change the amount, price or timing of the purchase or sale of the securities underlying a Trading Plan will trigger a new Cooling-Off Period.

The Company reserves the right to publicly disclose, announce, or respond to inquiries from the media regarding the adoption, modification, or termination of a Trading Plan and non-Rule 10b5-1 trading arrangements, or the execution of transactions made under a Trading Plan. The Company also reserves the right from time to time to suspend, discontinue or otherwise prohibit transactions under a Trading Plan if the Compliance Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation or other prohibition is in the best interests of the Company.

Compliance of a Trading Plan with the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, and none of the Company, the Compliance Officer or the Company's other employees assumes any liability for any delay in reviewing and/or refusing to approve a Trading

Plan submitted for approval, nor the legality or consequences relating to a person entering into, informing the Company of or trading under, a Trading Plan.

VII. INTERPRETATION, AMENDMENT AND IMPLEMENTATION OF THIS POLICY The Compliance Officer shall have the authority to interpret and update this Policy and all related policies and procedures. In particular, such interpretations and updates of this Policy, as authorized by the Compliance Officer, may include amendments to or departures from the terms of this Policy, to the extent consistent with the general purpose of this Policy and applicable securities laws.

Actions taken by the Company, the Compliance Officer or any other Company personnel do not constitute legal advice, nor do they insulate you from the consequences of noncompliance with this Policy or with securities laws.

VIII. CERTIFICATION OF COMPLIANCE

All directors, officers, employees and others subject to this Policy may be asked periodically to certify their compliance with the terms and provisions of this Policy in the form attached hereto as **Attachment A**.

SCHEDULE I

INDIVIDUALS SUBJECT TO QUARTERLY TRADING BLACKOUTS

- All directors;
- All Section 16 officers;
- All employees; and
- Consultants specified by the Company.

SCHEDULE II

INDIVIDUALS SUBJECT TO PRECLEARANCE REQUIREMENT

- All directors;
- All Section 16 officers;
- Employees specified by the Company; and
- Consultants specified by the Company.

ATTACHMENT A

CERTIFICATION OF COMPLIANCE

RETURN BY [_____] *[insert return deadline]*

TO: _____, Chief Legal Officer

FROM: _____

RE: INSIDER TRADING COMPLIANCE POLICY AND PROCEDURES OF COHERUS BIOSCIENCES, INC.

I have received, reviewed and understand the above-referenced Insider Trading Compliance Policy and Procedures and undertake, as a condition to my present and continued employment (or, if I am not an employee, affiliation) with Coherus BioSciences, Inc., to comply fully with the policies and procedures contained therein.

I hereby certify, to the best of my knowledge, that during the calendar year ending December 31, 20[ ], I have complied fully with all policies and procedures set forth in the above-referenced Insider Trading Compliance Policy and Procedures.

_____ _____

SIGNATURE DATE

_____

TITLE

[***] Certain information in this exhibit has been omitted because it is permitted to be omitted by applicable regulatory guidance.

EXHIBIT 10.39

December 7, 2023

McDavid Stilwell
[***]
[***]

Dear McDavid,

Your resignation from the position as Chief Financial Officer will be effective December 31, 2023 (the "Separation Date"). This letter (the "Agreement") provides information regarding the mutual separation package agreement offered to you by Coherus Biosciences, Inc. (the "Company") should you agree to sign this Agreement.

On the eighth day following your signing of this Agreement (after December 31, 2023), and provided it is not revoked as provided herein, (the "Effective Date"), you will be entitled to the severance detailed below, provided that you comply with the terms of the Agreement.

1. **Payment of Wages, Accrued Unused PTO, and Business Expenses.** Effective December 31, 2023, you will receive payment of wages through December 31, 2023, plus paid time off ("PTO") accrued but unused through the Separation Date. You may submit any business expenses incurred by you in accordance with the Company's normal travel and expense policies no later than January 31, 2024, and the Company will promptly reimburse you for all documented and approved expenses. All items in this Section 1 will be paid to you regardless of whether you elect to sign this Agreement.

2. **Severance Payments and Benefits.** Provided you sign and do not revoke this Agreement, within 8 days after you return the signed Agreement to the Company (after December 31, 2023), you will be paid one year of additional pay, [***] in a lump sum (gross) but less applicable taxes and authorized withholdings ("Severance Payment"). Furthermore, if you timely elect to receive continuation of your healthcare benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company will pay for your COBRA premiums through December 31, 2024.

3. **Stock Options:** The amount of stock options and restricted stock units that you would have vested through December 31, 2024, will vest immediately on December 31, 2023, and your exercise window will begin on January 1, 2024.

4. **Mutual Release of Claims.**

A. Your Release of Claims.

You agree not to sue, or otherwise file any claim against, the Company or any of its directors, officers, managers, employees or agents for any reason whatsoever based on anything that has occurred as of the date you sign this Agreement.

a) On behalf of yourself and your executors, administrators, heirs and assigns, you hereby release and forever discharge the "Releasees" hereunder, consisting of the Company, and each of its owners, directors, officers, managers, employees, representatives, agents, attorneys and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which you now have or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time through the Separation Date. Without limiting the generality of the foregoing, you hereby release and forever discharge the Releasees of and from any Claims arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever your employment by the Company, including, but not limited to, wage claims (base, bonus or commission), your termination of your position and your employment separation, including without limitation any and all claims arising under federal, state, or local laws relating to employment, claims of any kind that may be brought in any court or administrative agency, any claims arising under that Age Discrimination in Employment Act ("ADEA"); Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866; the Equal Pay Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the Family Medical Leave Act; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; the California Occupational Safety and Health Act; Section 17200 of the California Business and Professions Code; Claims arising under any other local, state or federal laws governing employment, including, but not limited to, the laws of California; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, failure to pay wages (base, bonus and commission), discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees. Notwithstanding the generality of the foregoing, you do not release any claims that cannot be released as a matter of law, including, without limitation, claims for indemnity under California Labor Code Section 2802 and any policy of insurance carried by the Company, and your right to bring to the attention

of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing (or similar state agencies) administrative Claims of harassment, discrimination or retaliation; provided, however, that you release your right to secure damages as a remedy for any such administrative Claims.

b) Notwithstanding the generality of the foregoing in subsection a) above, you do not release any claims that cannot be released as a matter of law, including, without limitation, claims for indemnity under California Labor Code Section 2802 and any policy of insurance carried by the Company, and your right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing (or similar state agency) administrative Claims of harassment, discrimination or retaliation; provided, however, that you release your right to secure damages as a remedy for any such administrative Claims.

c) You have been advised of the following:

i) You have the right to consult with an attorney before signing this Agreement.

ii) You have seven (7) days after signing this Agreement to revoke your agreement to it, and the Agreement will not be effective, and you will not receive any of the Severance Payments or benefits outlined in Section 2 until that revocation period has expired. If you wish to revoke your acceptance of this Release, you must deliver such notice by email, to be received no later than 5:00 p.m. Pacific Time on the 7th day following your signature to Rebecca Sunshine, Chief Human Resources Officer, at [***].

B. The Company's Release of Claims.

Except as provided in this Section 4(B), the Company agrees to release and not to sue, or otherwise file, any claim against You based on anything that has occurred as of the date You sign this Agreement. Notwithstanding the foregoing, the Parties agree that the Company specifically reserves any claims for misappropriation of trade secrets, embezzlement, clawbacks of compensation as required by law, the Company's Clawback Policy or applicable stock exchange rules, or willful misappropriation of Company funds.

C. YOU AND COMPANY ACKNOWLEDGE THAT YOU BOTH HAVE BEEN ADVISED OF AND ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, YOU HEREBY EXPRESSLY WAIVE ANY RIGHTS YOU MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

5. **Employee's Representations.** You represent and warrant that:

a) You have returned to the Company all Company property in your possession, including all confidential information that you received while at the Company and/or created for the purposes of your employment while at the Company.

b) You are not owed wages, commissions, bonuses or other compensation, other than as set forth in Section 1-3, above.

c) During the course of your employment, you did not sustain any injuries for which you might be entitled to compensation pursuant to worker's compensation laws.

d) You have not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will you do so in the future, except as specifically allowed by this Agreement.

6. **Non-disparagement; Neutral Reference.** [***]

7. **Maintaining Confidential Information.** You will abide by all of your confidentiality obligations to the Company, including those outlined in your Proprietary Information and Inventions Agreement (PIIA) that you entered at the start of your employment with the Company, *see, e.g.,* Sections 1, 2 (Proprietary Information, Recognition of Company's Rights; Nondisclosure), and Section 10 (Additional Activities). You will not disclose any confidential information you acquired while an employee of the Company to any other person or use such information in any manner. This includes any confidential information that you created for purposes of your employment at the Company. For the purposes of this Agreement, confidential information and proprietary information, as defined in the PIIA, are interchangeable.

8. **Confidential Separation Information**. Employee and Company agree that the existence of the Agreement, the terms and conditions of this Agreement and any discussions between employee and the Company that led to the terms and conditions of this Agreement are confidential and will not be disclosed to any other person.

9. **Cooperation with the Company.** You will cooperate fully with the Company in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action that has been or may be filed.

10. **Violation of Agreement.** You understand that any violation of any of Your obligations under this Agreement, will result in this Agreement being deemed null and void, and may require you to repay to the Company any Severance Payments or other benefits you received hereunder.

11. **Voluntary and Knowing Agreement.** You represent that you have thoroughly read and considered all aspects of this Agreement, that you understand all its provisions and that you are voluntarily accepting its terms.

12. **Section 409A**. To the extent that any reimbursements under this Agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to you shall be paid to you no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and your right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

13. **Entire Agreement; Amendment.** This Agreement sets forth the entire agreement between you and the Company and supersedes any and all prior oral or written agreements or understanding between you and the Company concerning the terms of your separation. This Agreement may not be altered, amended or modified, except by a further written document signed by you and the Company.

14. **Governing Law/Venue.** To the greatest extent allowed by law, this Agreement will be governed in all respects by the laws of the State of California without giving effect to any choice of law rules that would dictate application of the laws of a different jurisdiction. The parties agree that, to the greatest extent allowed by law, any dispute between them related in any way to this Agreement will be brought in the state or federal courts in San Mateo County. The parties specifically consent to the sole jurisdiction of such courts.

Kindly sign where indicated below, and return this letter to Rebecca Sunshine, Chief Human Resources Officer, by [***].

Sincerely,

/s/ Rebecca Sunshine

Rebecca Sunshine
Chief Human Resources Officer

Accepted and agreed to on this __11th_ day of ____December_____ 2023.

/s/ McDavid Stilwell
McDavid Stilwell

CERTAIN IDENTIFIED INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY "[***]", HAS BEEN EXCLUDED BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE TYPE THAT SURFACE ONCOLOGY, INC. TREATS AS PRIVATE OR CONFIDENTIAL.

Exclusive Product License Agreement

This Exclusive Product License Agreement (this "Agreement") is made and entered into as of this 23rd day of March, 2021 (the "Effective Date") by and between Vaccinex, Inc., having offices at 1895 Mt. Hope Avenue, Rochester NY 14620 USA ("Vaccinex"), and Surface Oncology, Inc. having offices at 50 Hampshire St, 8th Floor, Cambridge, MA 02139 ("Surface"). Vaccinex and Surface are sometimes referred to herein each individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Parties have entered into a Collaboration Agreement (defined below), pursuant to which Vaccinex granted Surface the right to obtain a license to research, develop and commercialize Licensed Products (defined below);

WHEREAS, pursuant to the Collaboration Agreement, Surface has exercised a Product Option (as defined in the Collaboration Agreement) pursuant to which the Parties have agreed to enter into this Agreement setting forth the terms and conditions of the licenses;

NOW, THEREFORE, the Parties hereby agree as follows:

Article 1.
DEFINITIONS

For purposes of this Agreement, the following words and phrases will have the following meanings. All words and phrases not defined in this Article 1 (Definitions) will have the meanings ascribed to them in this Agreement.

a.."Accounting Standards" means, GAAP, as generally and consistently applied throughout the Party's organization. Each Party shall promptly notify the other in the event that it changes the Accounting Standards pursuant to which its records are maintained, *provided*, *however* that each Party may only use internationally recognized accounting principles (e.g., IFRS, GAAP, etc.).

b.."Affiliate" means, with respect to a Party, any corporate or other entity that, directly or indirectly, controls, is controlled by, or is under common control with such Party, where "control" means the ownership of not less than fifty percent (50%) of the voting shares of

a corporation, or fifty percent (50%) of the decision-making authority as to such other unincorporated entity.

c.."Challenge Action" has the meaning set forth in Section 6.2 (Surface's Right to Enforce and Defend Patent Rights).

d.."Collaboration Agreement" means that certain Antibody Selection Research Collaboration and License Option Agreement effective as of November 30, 2017 by and between Vaccinex and Surface, as the same may be amended from time to time a copy of which is attached hereto as Exhibit A.

e.."Combination Product" means a product or combination therapy that includes a Licensed Product and at least one (1) additional non-Licensed Product comprised of active ingredient(s), that is (are) either (i) co-formulated or administered through a single formulation, or (ii) administered separately but approved (or being developed for approval) for use in combination with the Licensed Product. Drug delivery vehicles, adjuvants and excipients will not be deemed "active ingredients," except in the case where (a) in the case of a drug delivery vehicle or excipient, such delivery vehicle or excipient is recognized by the FDA as an active ingredient in accordance with 21 C.F.R. 210.3(b)(7), and if administered independently of the Licensed Product, would have a material clinical benefit (as shown by reasonable scientific evidence), or (b) in the case of an adjuvant, such adjuvant is (1) directly involved in the specific activation of any target affecting any innate immune pathway (as shown by reasonable scientific evidence), and (2) which activation itself produces a material clinical benefit (as shown by reasonable scientific evidence). For clarity, adjuvants that qualify under clause (b) above could include but are not limited to STING (stimulator of interferon genes) agonists and TLR (toll-like receptor) agonists administered alone or in combination with a cancer antigen, and adjuvants that act generally on innate immunity.

f.."Commercially Reasonable Efforts" means [***].

g.."Confidential Information" has the meaning set forth in Section 10.1 (Non-Disclosure)

h.."Control" or "Controls" or "Controlled" means, with respect to any intellectual property right (including any know-how, patent right or invention), the possession of (whether by ownership or license, other than pursuant to this Agreement) the ability of a party or its Affiliates to grant access to, or to grant a license or sublicense of, such right as provided for herein without violating the terms of any agreement or other arrangement with any third party existing at the time such party would be required hereunder to grant another person such access or license or sublicense.

i.."Cover" or "Covered" means with respect to a particular item or method, any patent and/or know-how, that but for a license under or ownership right in such patent and/or know-how, the manufacture, use, offer for sale, sale, importation, duplication, distribution or other exploitation of such item (or any other item used in the manufacture, use, offer for sale, sale, importation, duplication, distribution or other exploitation thereof) or the practice of such

method (or the use of any item in the practice of such method), would infringe any patent and/or misappropriate any know-how (assuming, in the case of pending patent applications, that such pending patent applications were issued patents) in any of the countries of manufacture, use, offer for sale, sale, importation, duplication, distribution and/or other exploitation.

j.."Disclosing Party" has the meaning set forth in Section 10.1 (Non-Disclosure).

k.."Effective Date" has the meaning set forth in the preamble.

l.."Executive Officers" means, for Surface, its Chief Executive Officer, and for Vaccinex, its Chief Executive Officer, *provided* that the foregoing individuals may designate the Chief Financial Officer or the Chief Operating Officer as his/her designee. In the event that the position of the Executive Officers identified in this Section 1.12 no longer exists due to a change of control, corporate reorganization, corporate restructuring or the like that results in the elimination of the identified position, the applicable Executive Officer will be replaced with another executive officer with responsibilities and seniority comparable to the eliminated Executive Officer.

m.."FDA" means the United States Food and Drug Administration, or any successor agency thereof.

n.."Field" means all human and animal prophylactic and therapeutic uses.

o.."First Commercial Sale" means, with respect to a Licensed Product in a country, the first sale for end use or consumption of such Licensed Product in such country after all Regulatory Approvals legally required for such sale have been granted by the regulatory authority of such country.

p.."Indemnitee" has the meaning set forth in Section 8.3 (Indemnification Procedures).

q.."Indemnitor" has the meaning set forth in Section 8.3 (Indemnification Procedures).

r.."Infringement Action" has the meaning set forth in Section 6.2 (Surface's Right to Enforce and Defend Patent Rights).

s.."Infringing Product" has the meaning set forth in Section 6.2 (Surface's Right to Enforce and Defend Patent Rights).

t.."Licensed Product" means any product (including a bi-specific or multi-specific antibody) that consists of or otherwise incorporates any Selected Antibody and/or any modification, variant, fragment, or derivative thereof, in each case, that includes one or more complementarity-determining regions of at least one variable region of such Selected Antibody including (i) any functional fragment of, pegylated version of (whether or not including amino acid changes) of a Selected Antibody and otherwise modified versions (including associated amino acid substitutions) of, a Selected Antibody, or (ii) an antibody designed using, or derived

from, some or all of the binding portion of any Selected Antibody (or the sequence coding for it). For the avoidance of doubt, a product that consists of a modified Selected Antibody that contains the same sequences for all six complementarity-determining regions as such Selected Antibody shall be considered the same Licensed Product for the purposes of this Agreement, except that a bi-specific or multi-specific antibody or drug conjugate with such same sequences shall be considered different Licensed Products.

u.."Net Sales" means [***].

v.."New License Agreement" has the meaning set forth in Section 9.4 (Effect of Termination of Sublicensees).

w.."Other Vaccinex Intellectual Property Rights" means rights in or to all intellectual property owned or Controlled by Vaccinex during the term of this Agreement, other than Vaccinex Program IP, that is required or reasonably necessary for the registration, clinical development, manufacture, use or sale of, or to otherwise exploit, the Selected Antibody, or any modification, variant or fragment thereof contained in a Licensed Product.

x.."Party" and "Parties" have the meaning set forth in the preamble.

y.."Payments" has the meaning set forth in Section 4.7 (Withholding Taxes).

z.."Phase 1 Clinical Trial" means either (i) a clinical study of a Licensed Product in human volunteers or patients with the primary objective of determining initial tolerance, safety and pharmacokinetic information in a single doses, single ascending dose, multiple dose or multiple ascending dose regimens as described in 21 C.F.R. § 312.21(a), or (ii) a comparable human clinical trial of a Licensed Product prescribed by the relevant regulatory authority in any country that would satisfy the requirements of 21 C.F.R. § 312.21(a), or its foreign equivalent.

aa.."Phase 2 Clinical Trial" means either (i) a clinical study of a Licensed Product in patients with the primary objective of characterizing its activity in a specific disease state as well as generating more detailed tolerance, safety and pharmacokinetic information as described in 21 C.F.R. § 312.21(b), or (ii) a comparable human clinical trial of a Licensed Product prescribed by the relevant regulatory authority in any country that would satisfy the requirements of 21 C.F.R. § 312.21(b), or its foreign equivalent.

ab.. "Phase 3 Clinical Trial" means either (i) a clinical study of a Licensed Product in patients, conducted in accordance with a protocol designed to confirm statistical significance of efficacy and safety of a Licensed Product for the purpose of obtaining Regulatory Approval in any country as described in 21 C.F.R. § 312.21(c), or (ii) a comparable human clinical trial of a Licensed Product prescribed by the relevant regulatory authority in any country that would satisfy the requirements of 21 C.F.R. § 312.21(c), or its foreign equivalent.

ac.."Prosecute" or "Prosecution" means the preparation, filing, prosecution, issuance and maintenance of the Selected Antibody Patent Rights before the United States Patent and

Trademark Office and foreign patent offices in connection with the Selected Antibody Patent Rights. Cognates of the word "Prosecution" have their correlative meanings.

ad.."Receiving Party" has the meaning set forth in Section 10.1 (Non-Disclosure).

ae.."Regulatory Approval" means, with respect to a particular Licensed Product, receipt of all regulatory clearances, registrations, licenses, authorizations or approvals (which in the case of the European Union may be through the centralized procedure) required in the jurisdiction in question for the sale of the applicable Licensed Product or service in such jurisdiction, including receipt of pricing approval, if any, legally required for such sale.

af..“Royalty Term” means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period beginning on the First Commercial Sale of such Licensed Product in such country and ending upon the later of (a) the expiration of the last Valid Claim included within the Vaccinex Program IP that Covers the composition of matter of such Licensed Product in the Territory (if any) and (b) the 10th anniversary of the First Commercial Sale of such Licensed Product in such country.

ag..“Selected Antibodies” means antibodies delivered by Vaccinex to Surface pursuant to the Collaboration Agreement and described in Exhibit C hereof.

ah..“Selected Antibody Patent Rights” means (a) rights in or to all patents and patent applications included within the Vaccinex Program IP, owned or Controlled by Vaccinex during the Term that Cover the Selected Antibody, including those patents and patent applications listed in Exhibit B; (b) all patents or patent applications filed in any country in the Territory that claim priority to or the benefit of, or share common disclosure or common priority with, the patents and patent applications described in the foregoing clause (a), including all provisional or priority patent applications, divisionals, continuations, continuations-in-part (to the extent directed to the Selected Antibodies), reissues, renewals, reexaminations, supplementary protection certificates, international applications and utility models, and foreign counterparts thereof; (c) all patents granting from (a) and (b); (d) all extensions based on any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world (including the right to claim the priority date of any of such patents and patent applications).

ai..“Sublicense” means any agreement pursuant to which Surface or a Sublicensee grants a Third Party a sublicense under the Vaccinex Program IP or Other Vaccinex Intellectual Property Rights to make, have made, use, sell, offer to sell, import or otherwise exploit Licensed Products in the Field.

aj..“Sublicensee” means any person or entity to whom Surface has granted a Sublicense under this Agreement.

ak..“Surface” has the meaning set forth in the preamble.

al..“Taxes” has the meaning set forth in Section 4.7 (Withholding Taxes).

am..“Term” has the meaning set forth in Section 9.1 (Term).

an..“Territory” means worldwide.

ao..“Third Party” means any person or entity other than Surface, Vaccinex, or the Affiliates of Surface or Vaccinex.

ap..“Vaccinex” has the meaning set forth in the preamble.

aq..“Vaccinex Patent Expenses” has the meaning set forth in Section 5.1(a) (Reimbursement).

ar..“Vaccinex Program IP” has the meaning set forth in the Collaboration Agreement.

as..“Valid Claim” means (a) a claim of an issued patent, which claim has not (i) expired, lapsed, been canceled, dedicated to the public, disclaimed or become abandoned, (ii) been declared unpatentable, invalid, unenforceable, revoked, or canceled by a decision or judgment of a court or other appropriate body or authority of competent jurisdiction, or (iii) been admitted to be invalid or unenforceable, or (b) any claim in a pending patent application that has been filed and is being prosecuted in good faith and has not been cancelled, withdrawn from consideration, abandoned or finally disallowed without the possibility of appeal or refiling of the application and that has not been pending for more than seven (7) years from the earliest date from which the patent application claims priority. If such patent application has been re-filed or is a divisional application, the seven (7) year period mentioned above shall be calculated from the first application filed in the series of applications.

Article 2.
GRANT

a..Grant of Rights. Subject to the terms and conditions of this Agreement, Vaccinex hereby grants (and will cause its Affiliates to grant), and Surface hereby accepts (i) an exclusive, irrevocable (subject to Section 9.3), license, with the right to grant Sublicenses (as provided in Section 2.2 (Right to Sublicense) hereof), under the Vaccinex Program IP, to make, have made, use, sell, offer to sell, have sold, import, export and otherwise exploit Licensed Products in the Field in the Territory, and (ii) a fully-paid up, irrevocable (subject to Section 9.3), license, with the right to grant Sublicenses (as provided in Section 2.2 (Right to Sublicense) hereof), under the Other Vaccinex Intellectual Property Rights, to make, have made, use, sell, offer to sell, have sold, import, export and otherwise exploit Licensed Products in the Field in the Territory.

b..Sublicenses.

(i)*Right to Sublicense*. Subject to this Section 2.2 (Sublicenses), Surface will have the right to grant Sublicenses of any and all of the rights licensed to Surface under this Agreement through multiple tiers to any Third Party. Surface will be responsible for enforcing each Sublicensee’s obligations that relate to this Agreement under each Sublicense that Surface executes and Surface shall remain responsible for any such Sublicensee’s performance hereunder and for all payments due to Vaccinex, including royalties or other payments due on Net Sales of Licensed Products or milestones achieved by Sublicensee.

(ii)*Sublicense Provisions*. Each Sublicense will be subject to and consistent with the relevant terms and conditions of this Agreement.

(iii)*Copy of Sublicense*. Surface will promptly notify Vaccinex of any Sublicense and provide Vaccinex a true, correct and complete copy of the terms of each Sublicense that Surface enters into with a Third Party and any amendment thereto within [***] days following the execution of such Sublicense or amendment; *provided* that Surface may redact from such copy any confidential terms of such Sublicense that relate to financial information or scientific or technical information specific to the Sublicensee’s compounds

or development plans, to the extent not reasonably necessary for Vaccinex to monitor compliance by Surface or such Sublicensee with the terms and conditions of this Agreement.

c..Rights of Affiliates. Surface may exercise its rights and perform its obligations under this Agreement either directly or through one or more of its Affiliates. Surface's Affiliates will have the benefit of all rights (including all licenses) of Surface under this Agreement, subject to such Affiliates' compliance with the applicable obligations of Surface hereunder. Accordingly, in this Agreement "Surface" will be interpreted to mean "Surface or its Affiliates" where necessary to give Surface's Affiliates the benefit of the rights provided to Surface in this Agreement*; provided, however,* that in any event Surface will remain responsible for the acts and omissions, including financial liabilities, of its Affiliates and for such Affiliates' compliance with the applicable obligations of Surface hereunder.

d..No Conflicting Agreements. Vaccinex will not grant licenses or other rights or interests in or under the Vaccinex Program IP to any Third Party and will not enter into any agreement with any Third Party that would conflict with or otherwise compromise the rights granted to Surface hereunder.

e.. No Implied Rights. Each Party acknowledges that the rights and licenses granted under this Agreement are limited to the scope expressly granted herein. Except for the rights expressly granted under this Agreement, no rights, title, licenses, or other interests of any nature whatsoever are granted whether by implication, estoppel, reliance, or otherwise, by either Party to the other Party. Without limitation, none of the above licenses include the right to select antibodies other than Selected Antibodies.

Article 3.
DUE DILIGENCE

a..General Obligation. Surface will use Commercially Reasonable Efforts to develop, clinically test, achieve regulatory approval, manufacture, market and commercialize at

least one Licensed Product in the Field in the Territory during the Term of this Agreement. Such diligence activities shall include, without way of limitation, Surface using Commercially Reasonable Efforts to file an IND in the U.S., Canada, the U.K., a country in the E.U., Australia or Japan (or requiring its Affiliates or Sublicensees to do so) within five (5) years of the Effective Date.

b..Development Reports. Surface shall provide Vaccinex with (i) regular, and in any event not less than every six months, written high-level summary reports describing Surface's progress on development of Licensed Products during the previous six months, and future development plans for the next six months, and (ii) an annual detailed report on Surface's progress in meeting its obligations in Section 3.1, including but not limited to a summary of the evaluations of Licensed Products performed, provided that such summary need not include results of such evaluations, and a development plan of Licensed Products indicating development progress to date as well as the projected timeline of expected achievement of milestones by Licensed Products. Vaccinex may

reasonably request additional related information in connection with the annual reports in order to establish satisfaction by Surface of its obligations under this Section 3.

c..Reversion. If Surface materially breaches its obligations set forth in Section 3.1 (General Obligations) and fails to cure such breach within [***] days after receiving written notice thereof from Vaccinex, then Vaccinex shall have the right to terminate this Agreement pursuant to Section 9.2(d) (Diligence Failure).

Article 4.
LICENSE CONSIDERATION

a..Product License Fee. Within ten (10) days following the Effective Date, Surface will pay to Vaccinex a fee of $850,000.

b..Annual Maintenance Fee. Commencing on the third (3rd) anniversary of the Effective Date and each anniversary thereof occurring prior to the first dosing of the first human patient pursuant to the protocol in the first Phase 1 Clinical Trial for a Licensed Product, Surface will pay Vaccinex an annual maintenance fee according to the following schedule:

- Beginning with the third anniversary of the Effective Date, $[***];
- Beginning with the fourth anniversary of the Effective Date, $[***];
- Beginning with the fifth anniversary of the Effective Date, $[***];
- Beginning on the sixth anniversary of the Effective Date, and for each anniversary thereafter, $[***].

Such fees will accrue on the applicable anniversary date, and Surface will pay the applicable annual maintenance fee to Vaccinex within thirty (30) days following Surface's receipt of Vaccinex's invoice therefor.

c..Milestone Payments. Surface will pay to Vaccinex the milestone payments set forth in this Section 4.3 (Milestone Payments) with respect to the first achievement of the relevant milestone event for each Licensed Product. Each milestone payment set forth in this Section 4.3 (Milestone Payments) is payable only once per Licensed Product, and the total payments payable under this Section 4.3 (Development Milestone Payments) will in no event exceed $15,000,000 per Licensed Product. The milestone payments will accrue upon the achievement of the applicable milestone event, and Surface will promptly notify Vaccinex of such achievement, and pay the associated milestone payment within thirty (30) days following achievement of each milestone event described in this Section 4.3 (Milestone Payments).

Milestone Event	*Milestone Payment*
(i) Upon first patient dosed in the first Phase 1 Clinical Trial.	$[***]
(ii) Upon first patient dosed in the first Phase 2 Clinical Trial.	$[***]

(iii) Upon first patient dosed in the first Phase 3 Clinical Trial.	$[***]
(iv) Upon filing of a BLA with US FDA.	$[***]
(v) Upon approval of the BLA by the US FDA.	$[***]
(vi) Upon approval by the EMA.	$[***]

For avoidance of doubt, a clinical trial that meets more than one definition of the type of clinical trial (such as a clinical trial with an adaptive design, which morphs from a Phase 1 Clinical Trial to a Phase 2 Clinical Trial), will be considered to be both of such clinical trials, and payment of all milestones achieved as a result of such consideration, will be due and owing.

d..Royalties.

1.*Royalty Payments*. Subject to the provisions of this Agreement, Surface will pay to Vaccinex, on a Licensed Product-by-Licensed Product basis during the Royalty Term for such Licensed Product, a royalty of [***] of Net Sales on Licensed Products sold in the Territory. Royalties will be due within [***] days after the end of each calendar quarter during which the royalties accrued.

2.*Royalty Adjustments*. If Surface or any of its Affiliates reasonably determines, in consultation with Vaccinex, that a license under Third Party patent rights or know-how is necessary to exploit the Vaccinex Program IP to make, have made, use, sell, offer to sell, have sold, import, export and otherwise exploit Licensed Products in the Field in the Territory, and Surface pays royalties to one or more Third Parties for such license (collectively, "Third Party Royalties"), then Surface will have the right to reduce the royalties otherwise due to Vaccinex

pursuant to Section 4.4(a) (Royalty Payments) hereof with respect to Net Sales of such Licensed Product, which requires use of such Third Party license, by applying a credit in an amount equal to [***] of the amount of such Third Party Royalties applicable to such Licensed Product; *provided* that the reductions to royalties provided in this Section 4.4(b) (Royalty Adjustments) will not reduce the royalties payable with respect to Net Sales of such Licensed Product during any calendar quarter of the applicable Royalty Term by more than [***] of the royalties otherwise owed to Vaccinex pursuant to Section 4.4(a) (Royalty Payments) hereof. Surface shall provide Vaccinex with documentation of its payment of Third Party Royalties with the affected royalty report that shows such reduction being applied.

e..Payments. All payments pursuant to this Agreement will be paid in U.S. Dollars, without deduction or exchange, collection or other charges and made by wire transfer to such account as may be specified by Vaccinex to Surface in writing, and are non-refundable. When conversion of payments from any foreign currency is required to be undertaken by Surface, payments shall be converted into U.S. Dollars using the average of the daily exchange rates for such currency quoted by Citibank, N.A. for each of the last [***] banking days of each calendar quarter which is the

reporting period. Any undisputed payments under this Agreement that are not made on or before the applicable due date shall bear interest at the lower of (a) the maximum rate permitted by applicable law and (b) the rate of [***] per annum above "Prime" as defined in *The Wall Street Journal* on the payment due date or, if unavailable, on the latest date prior to the payment due date on which such rate is available, calculated on a daily basis on the actual number of days elapsed from the payment due date to the date of actual payment. Surface shall be solely responsible for the payment of all royalties or other amounts, if any, which are payable to third parties arising out of the manufacture, importation, use, offer to sell or sale of Licensed Products. Subject to Section 4.4(b), such amounts paid shall not be deducted from any payments due hereunder.

f..Invoices. All invoices to Surface under this Agreement will be sent by Vaccinex electronically, via e-mail to [***], in PDF format, unless otherwise agreed by both Parties.

g..Withholding Taxes. Vaccinex will be liable for all income and other taxes (including interest) ("Taxes") imposed upon any payments made by Surface to Vaccinex under this Agreement ("Payments"). If applicable laws, rules or regulations require the withholding of Taxes, Surface will make such withholding payments and will subtract the amount thereof from the Payments. Surface will submit to Vaccinex appropriate proof of payment of the withheld Taxes, as well as the official receipts, within [***] days. Surface will provide Vaccinex reasonable assistance in order to allow Vaccinex to obtain the benefit of any present or future treaty against double taxation which may apply to the Payments.

h..Reports, Information, and Inspection.

1.*Reports*. Each payment shall be accompanied by a report showing the associated facts that relate to the payment being made. Regarding Net Sales, the information shall be presented for the calendar quarter with

respect to which the report is delivered, broken down by the identity of the selling party or parties (Surface, its Affiliates, or any Sublicensee), on a country-by-country/region-by-region (to the extent available to Surface) and Licensed Product-by-Licensed Product basis, together with details of the quantities of Licensed Products sold and, the country of manufacture, if different (to the extent available to Surface), applicable offsets, withholding taxes, whether in Combination Products, the royalty due to Vaccinex, and other information as reasonably requested by Vaccinex and available to Surface. All such reports will be treated as the Confidential Information of Surface.

2.*Notification of Marketing Approval*. Surface agrees to notify Vaccinex in writing within thirty (30) days after the date on which Surface, its Affiliates or Sublicensees obtains marketing approval of each Licensed Product in each country in the Territory and to promptly provide Vaccinex with a copy of such notice.

3.*Records and Audit*. Surface agrees, and shall cause its Affiliates and Sublicensees, to keep accurate and complete records for a period of at least [***] years

(or such longer period as may correspond to Surface's internal records retention policy) showing the status of development efforts, status of patient dosing, and the manufacturing, sales, use and other disposition of Licensed Products in sufficient detail to evaluate the compliance of Surface and that of its Affiliates and Sublicensees, with the obligations hereunder. Surface will, and shall cause its Affiliates and Sublicensees, to permit all relevant books and records to be audited by an independent accounting firm selected by Vaccinex and reasonably satisfactory to Surface, or Surface's Affiliate or Sublicensee, as applicable, from time-to-time during regular business hours at such place or places where such records are customarily kept to the extent requested by Vaccinex, but not more than once a year, *provided* that before beginning such audit, such independent accounting firm shall execute an agreement acceptable to Surface by which such independent accounting firm agrees to keep confidential all information reviewed during the audit. Vaccinex agrees to hold in strict confidence all information received and all information learned in the course of any audit, except to the extent necessary to comply with any law, regulation or judicial order. Such examination and audit is to be made at the expense of Vaccinex, except that it shall be at Surface's expense if the results of the examination and audit reveal that Surface, its Affiliate or its Sublicensee underpaid Vaccinex by more than [***] for the year at issue.

Article 5.
PATENT PROSECUTION

a..Prosecution of Patent Rights.

4.*Reimbursement*. Within [***] days following the Effective Date, Vaccinex will submit to Surface (i) an invoice for any of its unreimbursed expenses (if any) incurred prior to the Effective Date and associated with Prosecution of Selected Antibody Patent Rights (the "Vaccinex Patent Expenses"), and (ii) summary documentation of such Vaccinex Patent Expenses. Surface will pay the undisputed Vaccinex Patent Expenses to Vaccinex within thirty (30) days following Surface's receipt of Vaccinex's invoice and documentation therefore.

5.*Direction of Prosecution*. As of and after the Effective Date, Surface, at its sole expense and in the name of and with the cooperation of Vaccinex, hereby assumes the responsibility for and shall maintain all control, including the selection of counsel, over the Prosecution of the Selected Antibody Patent Rights. At a reasonable time prior to the contemplated filing date, but in any event not less than [***] days prior, Surface shall submit to Vaccinex for review and comment a substantially completed draft of any patent application hereunder before Surface's first filing of such patent application in any jurisdiction, and Vaccinex agrees to review and provide such comments, if any, to Surface on an expedited basis if necessary to avoid loss of patent rights. All expenses of Prosecuting such patents and patent

applications shall be borne by Surface. Surface shall provide Vaccinex reports no less frequently than once per calendar year listing all patents and patent applications Prosecuted pursuant to the provisions hereof, including identification of the patents and patent applications by number and country, together with a brief description of the status of the prosecution or patent. Surface shall permit Vaccinex to review and comment on all patent applications, and related decisions and actions under this Section 5.1(b), *provided* that Surface will have all final decision-making rights over Prosecution decisions made with respect to the Selected Antibody Patent Rights. If Surface determines not to file or not to continue to Prosecute any patents or patent applications within the Selected Antibody Patent Rights for any country or region such that patent rights to a Selected Antibody would terminate for that country or region, then Surface shall promptly, and in any event not less than [***] days prior to the date in which a failure to file or respond would prejudice the rights of Vaccinex hereunder, notify Vaccinex in writing of such determination. Vaccinex may then Prosecute such patent or patent application at its own expense in that country or region. If Vaccinex exercises its rights under this Section 5.1(b) with respect to any such patent or patent application in any country or region that Surface has decided not to continue Prosecuting, the licenses set forth in this Agreement shall become non-exclusive but with the same license consideration terms (i.e., fees, payments, royalties) as set forth in Article

4, with respect to such patent or patent application, and patents issued therefrom in that country or region.

6. *Cooperation*. Vaccinex agrees to cooperate with Surface in the preparation, filing, prosecution and maintenance of any Selected Antibody Patent Rights pursuant to this Section 5.1 (Prosecution of Patent Rights). Such cooperation includes executing all papers and instruments, or requiring employees or others to execute such papers or instruments, so as to effectuate the ownership of such Selected Antibody Patent Rights and to enable the filing, prosecution, maintenance, and extension thereof in any country or region. In addition, Vaccinex agrees to cooperate with Surface in obtaining patent term restoration or supplemental protection certificates or their equivalents in any country in the Territory where applicable to the Selected Antibody Patent Rights.

7. *Disclosure*. Each Party agrees that it will not make any public disclosure that would adversely impact the patentability of any Selected Antibody prior to filing of a protective patent in the United States, Europe, Canada and Japan.

8. *Common Interest*. All information exchanged between the Parties, or with or between the Parties' outside patent counsel, including Prosecution counsel, regarding Prosecution of the Selected Antibody Patent Rights will be the Confidential Information of both Parties and potentially be privileged. In

addition, the Parties acknowledge and agree that, with regard to such Prosecution of the Selected Antibody Patent Rights, the interests of the Parties are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The Parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Selected Antibody Patent Rights, including privilege under the common interest doctrine and similar or related doctrines.

Article 6.
INFRINGEMENT ACTIONS

a..Notice of Infringement. During the Term, each Party will inform the other Party promptly in writing of any alleged infringement of the Selected Antibody Patent Rights by a Third Party of which it becomes aware, and of any available evidence thereof.

b..Surface's Right to Enforce and Defend Patent Rights. During the Term of this Agreement, Surface will have the first right, and control over in its sole discretion, but will not be obligated, to take any measures with respect to any Third Party's activities concerning any product, method or service that infringes or misappropriates, or which Surface reasonably suspects infringes or misappropriates, the Selected Antibody Patent Rights (an "Infringing Product"), including (i) by initiating or prosecuting an infringement, misappropriation or other

appropriate suit or action against such Third Party in a court of law (each an "Infringement Action") at its sole expense, or (ii) subject to Section 2.2 (Sublicenses), by granting adequate rights and licenses necessary for continued activities, including development, manufacture or commercialization, concerning any Infringing Product in the Territory to any Third Party who at any time has infringed or misappropriated, or is suspected of infringing or misappropriating, any Selected Antibody Patent Rights. Surface will also have the first right, and control over in its sole discretion, but will not be obligated, to defend any action or proceeding (including a declaratory judgment action or nullification action, re-examination, *inter partes* review, opposition, interference, post-grant review or other proceeding) brought by a Third Party in a court of law or before any patent office that challenges the patentability, validity or enforceability of any Selected Antibody Patent Rights or that seeks a determination that any Infringing Product does not infringe or misappropriate any Selected Antibody Patent Rights, and any appeals of the foregoing (any such action or proceeding a "Challenge Action") in the Territory, at Surface's expense. In furtherance of such right, Vaccinex hereby agrees that Surface may include Vaccinex as a party in any such Infringement Action or Challenge Action and that Vaccinex will provide reasonable assistance to Surface in connection with an Infringement Action or Challenge Action, in each case without expense to Vaccinex. If Surface elects not to exercise its first right with respect to such Infringing Product or Challenge Action, it shall promptly notify Vaccinex of the same. Upon receipt of such notice, Vaccinex shall have the right, but not the obligation, to take any of the measures stated in this Section 6.2 with respect to such Infringing Product or Challenge Action. Both Parties shall cooperate with each other in good faith in the prosecution of any such action or proceeding. The total cost of any such action commenced or defended solely by a Party will be borne by such Party and the other Party will receive a percentage of any recovery or damages for past infringement derived therefrom as follows: the recovered amounts will be used to reimburse

the Parties for their reasonable and previously unreimbursed documented costs and expenses, including attorneys' fees incurred in making such recovery (which amounts will be allocated pro rata if insufficient to cover the totality of such expenses) with any remainder to be equally shared by the Parties.

c..Cooperation. With respect to any Infringement Action or Challenge Action, or any proceeding that a Party may institute to enforce the Selected Antibody Patent Rights pursuant to this Agreement, the other Party will, at the request and expense of the first Party, reasonably cooperate in all respects and, to the extent reasonably practicable, have its employees testify when requested and make available relevant records, information, samples, specimens, and other evidence upon request. If either Party reasonably determines that the other Party is an indispensable party to the action, the other Party hereby consents to be joined. In such event, both Parties shall have the right to be represented in that action by counsel of their own choice and at their own expense.

d..EU Unitary Patent System. Without limitation of Surface's rights under Article 6 (Infringement Actions), Surface will have the exclusive right to opt-in and opt-out the Selected Antibody Patent Rights from the jurisdiction of the European Union Unified Patent Court when it becomes operational, in accordance with the Unified Patent Court (Regulation (E.U.) No 1257/2012) and its applicable Annexes and Rules of Procedure, as amended and from time to time in effect, and Vaccinex will not do so.

e..Patent Term Extensions. Surface will have the exclusive right to seek and obtain all available extensions of the Selected Antibody Patent Rights with respect to a Licensed Product, including any supplementary protection certificates, in any country in the Territory. Vaccinex will execute such authorizations and other documents and, at Surface's expense, take such other actions as may be reasonably requested by Surface to obtain any such extensions, restorations and supplementary protection certificates of the Selected Antibody Patent Rights in the Territory.

Article 7.
REPRESENTATIONS AND WARRANTIES

a..Vaccinex. Vaccinex represents and warrants to Surface as follows:

9. Vaccinex (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder, and (iii) has taken sufficient steps such that the execution and delivery of this Agreement by Vaccinex and the performance by Vaccinex of its obligations hereunder have been duly authorized by all necessary corporate action.

10. Vaccinex exclusively own all rights, title and interests in and to the Vaccinex Program IP including the patent rights identified on Exhibit B, and Vaccinex exclusively Controls all rights, title and interests in and to the Vaccinex Program IP.

11. As of the Effective Date, there have been no claims, judgments, security interests or settlements with respect to the Vaccinex Program IP, or pending claims or litigation relating to the Vaccinex Program IP.

12. Exhibit B sets forth a complete and accurate list of each of the Selected Antibody Patent Rights as of the Effective Date.

13. Any Selected Antibody Patent Rights existing as of the Effective Date have been duly prepared, filed, prosecuted, obtained, and maintained by Vaccinex in accordance with all applicable laws, rules, and regulations, it being recognized that Vaccinex has conducted such activities based on advice received from external patent agents.

14. The execution and delivery of this Agreement and the performance of Vaccinex's obligations hereunder are not inconsistent with or in breach of any contractual obligations which Vaccinex owes to any Third Party, and will not constitute a violation of any judgment, order or decree of any court, arbitrator, governmental agency or authority binding upon Vaccinex.

b. Surface. Surface represents and warrants to Vaccinex as follows:

15. Surface is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

16. The execution and delivery of this Agreement by Surface and the performance by Surface of its obligations hereunder have been duly authorized by all necessary corporate action.

17. The execution and delivery of this Agreement and the performance of Surface's obligations hereunder are not inconsistent with or in breach of any contractual obligations that Surface owes to any Third Party and will not constitute a violation of any judgment, order or decree of any court, arbitrator, governmental agency or authority binding upon Surface.

c. No Other Warranties. EXCEPT AS SPECIFICALLY SET FORTH IN THIS ARTICLE 7, NEITHER PARTY MAKES ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, TITLE, VALIDITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

Article 8.
INDEMNIFICATION; LIMITATION OF LIABILITY

a. Indemnification by Surface. Surface will at all times, during the term of this Agreement and thereafter, indemnify, defend and hold harmless Vaccinex and its Affiliates, sublicensees, directors, officers, agents and employees from any and all liabilities, damages, losses, costs or expenses (including attorneys' and professional fees and other expenses of litigation and/or

arbitration) resulting from third party claims arising out of or resulting from: (i) the gross negligence or willful misconduct of Surface (or its directors, officers, employees or agents) hereunder; (ii) the breach by Surface of any representation, warranty or covenant in this Agreement; or (iii) the exercise or practice of the rights granted hereunder to Surface, including the development, manufacture, holding, use, testing, marketing, advertisement, sale or other disposition by Surface, its Affiliates or Sublicensees, of the Licensed Product (or any other product or service offered by Surface, and/or its Affiliates or collaborators), the Selected Antibody, or its related cell lines (or their progeny or derivatives, other biological materials, method, process, device or apparatus), except in each case (i)-(iii), to the extent caused by the gross negligence, willful misconduct or breach of this Agreement of or by Vaccinex.

b..Indemnification by Vaccinex. Vaccinex will at all times, during the term of this Agreement and thereafter, indemnify, defend and hold harmless Surface and its Affiliates, sublicensees, directors, officers, agents and employees from any and all liabilities, damages, losses, costs or expenses (including attorneys' and professional fees and other expenses of litigation and/or arbitration) resulting from third party claims arising out of or resulting from: (i) the gross negligence or willful misconduct of Vaccinex (or its directors, officers, employees or

agents) hereunder; or (ii) the breach by Vaccinex of any representation, warranty or covenant in this Agreement; except in each case (i)-(ii), to the extent caused by the gross negligence, willful misconduct or material breach of Surface.

c..Indemnification Procedures. If a Party (the "Indemnitee") intends to claim indemnification under this Article 8 (Indemnification; Limitation of Liability) it will promptly notify the indemnifying Party (the "Indemnitor") in writing of any claim, demand, action or other proceeding for which the Indemnitee intends to claim such indemnification, and the Indemnitor will assume control of the defense thereof, with counsel of its choice; *provided* that Indemnitor will not settle any such proceeding in a manner that requires the Indemnitee to admit to any legal violation or assume any liability that is not paid for in its entirety by Indemnitor without Indemnitee's prior written consent, not to be unreasonably withheld. The Indemnitee will have the right to retain its own counsel and participate in the defense thereof, with the fees and expenses to be paid at its own expense. The indemnity agreement in this Article 8 (Indemnification; Limitation of Liability) will not apply to amounts paid in settlement of any claim, demand, action or other proceeding if such settlement is effected without the consent of the Indemnitor, which consent will not be withheld or delayed unreasonably. The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any such action, if prejudicial to its ability to defend such action, will relieve such Indemnitor of any liability or obligation to the Indemnitee under this Article 8 (Indemnification; Limitation of Liability). The Party claiming indemnification under this Article 8 (Indemnification; Limitation of Liability), its employees and agents, will reasonably cooperate with the Indemnitor and its legal representatives in the investigation of any claim, demand, action or other proceeding covered by this indemnification.

Article 9.
TERM AND TERMINATION

a..Term. The term of this Agreement (the "Term") will commence on the Effective Date and will continue in full force and effect until terminated in accordance with Section 9.2 (Termination).

b..Termination.

18. *Termination for Convenience*. Surface may terminate this Agreement at any time upon [***] days' prior written notice to Vaccinex.

19. *Termination for Cause*. Either Party may terminate this Agreement in its entirety, effective upon written notice to the other Party, if the other Party materially breaches this Agreement and fails to cure such breach within [***] days after receiving written notice thereof, *provided* that if the alleged breaching Party disputes in good faith the existence or materiality of any such breach specified in the notice provided by the other Party, and the alleged breaching Party provides notice of such dispute within such [***] day period then such [***] day cure period will be tolled during the pendency of such dispute and the Party alleging such breach shall not have

the right to terminate this Agreement unless and until such dispute is resolved.

20. *Payment Default*. Notwithstanding Section 9.2(b) (Termination for Cause), if Surface shall at any time default in the payment of any royalty or other payment required by this Agreement, Vaccinex may, at its option, terminate this Agreement upon [***] days' written notice, *provided* that if Surface disputes in good faith the existence of any such payment default specified in the notice provided by Vaccinex, and Surface provides notice of such dispute within such [***] day period, then such [***] day period will be tolled during the pendency of such dispute, provided such dispute is handled as an Expedited Dispute (as defined in Exhibit D). Vaccinex will not have the right to terminate this Agreement unless and until such Expedited Dispute is resolved, and *provided*, *further* that (a) if Surface has fully cured its default within such period, then the rights and licenses herein granted shall remain in force as if no breach or default had occurred and (b) if any payments are determined to be payable to Vaccinex following the resolution of the dispute, such payment shall be immediately payable with interest as of the original payment due date at the lower of (a) the maximum rate permitted by applicable law and (b) the rate of [***] per annum above "Prime" as defined in *The Wall Street Journal* on the original payment due date or, if unavailable, on the latest date prior to the payment due date on which such rate is available, calculated on a daily basis on the actual number of days elapsed from the payment due date to the date of actual payment.

21. *Diligence Failure*. Notwithstanding Section 9.2(b) (Termination for Cause), Vaccinex may terminate this Agreement in the event that Surface is in material breach of its diligence obligations under Section 3.1 (General

Obligation) and fails to cure such material breach within [***] days after receiving written notice thereof from Vaccinex, *provided* that if Surface disputes in good faith the existence or materiality of any such breach specified in the notice provided Vaccinex, and Surface provides notice of such dispute within such [***] day period then such [***] day cure period will be tolled during the pendency of such dispute, and Vaccinex shall not have the right to terminate this Agreement unless and until such dispute is resolved.

22. Subject to applicable laws, Vaccinex may terminate this Agreement immediately upon written notice to Surface in the event that Surface, its Affiliate or Sublicensee Challenges (as defined below) any patent or patent application contained in the Vaccinex Program IP or Other Intellectual Property Rights (each a "Licensed Patent") *provided*, *however*, that no such termination right shall apply to (i) any Challenge that is commenced by a Sublicensee where Surface demands that such

Sublicensee withdraw such Challenge promptly after Surface becomes aware of such Challenge and terminates the sublicense agreement with the applicable Sublicensee if such Sublicensee does not withdraw such Challenge within [***] days after receipt of notice from Surface, or (ii) providing documents or testimony in response to any discovery requests or court order in a valid legal process. As used in this Section 9.2(e), "Challenge" means to Contest the validity or enforceability of any Licensed Patent in whole or in part, in any court, arbitration proceeding, or other tribunal, including the USPTO, the United States International Trade Commission, or any foreign equivalent thereof. For the avoidance of doubt, the term "Contest" means: (a) commencing, filing, joining in, or assisting a Third Party in filing an action under 28 U.S.C. §§ 2201-2202, seeking a declaration of invalidity or unenforceability of any Licensed Patent or any portion thereof; (b) commencing, filing, joining in, or assisting a Third Party in filing a petition under 35 U.S.C. § 311 to institute *inter-partes* review of any Licensed Patent or any portion thereof; (c) commencing, filing, joining in, or assisting a Third Party in filing a petition under 35 U.S.C. § 321 to institute post-grant review of any Licensed Patent or any portion thereof; or (d) any foreign equivalents of subsection (a) through (c) applicable in any country. As used herein, the term "Contest" does not include any action taken by Surface, its Affiliate or Sublicensee for the sole purpose of complying with the duty to disclose information material to patentability as set forth in 37 CFR 1.56 or any foreign equivalent thereof, or to exercise its rights to Prosecute the Selected Antibody Patent Rights pursuant to Article 5.

c..Effects of Termination. Upon termination of this Agreement pursuant to Section 9.2 (Termination), all of Surface's unpaid payment obligations to Vaccinex pursuant to Article 4 (License Consideration) will terminate, *provided* that neither Party will be released from any obligation that accrued prior to the effective date of such termination. Upon termination of this

Agreement pursuant to Section 9.2 (Termination), all rights granted by Vaccinex to Surface under Article 2 (Grant), including Vaccinex Program IP (including Vaccinex's interest in rights jointly controlled with Surface), will revert to Vaccinex. Surface and any Sublicensee may, after the effective date of such termination, sell all Licensed Products that were produced prior to the effective date of such termination but in any event for no longer than [***] months after the effective date of such termination.

d..Effect of Termination on Sublicenses. In the event of any termination of this Agreement pursuant to Section 9.2 (Termination), where such termination has not been caused by any action or inaction on the part of any Sublicensee or by any material breach by such Sublicensee of its obligations under its Sublicense from Surface, and termination of this Agreement will be without prejudice to the rights of each non-breaching Sublicensee, and Vaccinex will enter into a license agreement directly with each such Sublicensee (the "New License Agreement") on substantially the same terms and conditions as those set forth in this Agreement; *provided*, *however*, that (a) the New License Agreement will provide that in no event

will such Sublicensee be liable to Vaccinex for any actual or alleged default by Surface of this Agreement, (b) the scope and territory of the license grant under the New License Agreement will be the same as that granted by Surface to such Sublicensee pursuant to the Sublicense between Surface and such Sublicensee, (c) the financial terms of any New License Agreement will be such that Vaccinex will receive no less than the same consideration that it would have received under this Agreement had it not been terminated, and (d) Vaccinex will not have any obligations under the New License Agreement that are greater than or inconsistent with the obligations of Vaccinex under this Agreement. Each such Sublicensee will be deemed a third party beneficiary of this Section 9.4 (Effect of Termination on Sublicenses) with the right to enforce it directly against Vaccinex.

e..Effect of Termination on IP. Effective upon termination of this Agreement, Vaccinex shall have the option for a period of [***] days to enter into good faith negotiations with Surface for an exclusive, worldwide license (with rights to sublicense) under all intellectual property, including without limitation, pre-clinical or clinical data, regulatory approvals and/or submissions, then owned or Controlled by Surface as of the effective date of termination as reasonably necessary to enable Vaccinex to engage in exclusive development and commercialization of the Selected Antibody and/or the applicable Licensed Product(s).

f..Survival. The following sections of this Agreement along with applicable definitions in Article 1 (Definitions) applicable thereto will survive termination or expiration of this Agreement: Section 4.8(c) (Records and Audit), Section 9.3 (Effects of Termination), Section 9.4 (Effect of Termination on Sublicensees), Section 9.5 (Effect of Termination on IP), Section 9.6 (Survival), Article 8 (Indemnification; Limitation of Liability), Article 10 (Confidentiality) and Article 11 (Miscellaneous). Except as otherwise provided in this Section 9.6 (Survival), all other provisions of this Agreement will terminate upon the termination of this Agreement.

Article 10.
CONFIDENTIALITY

a..Non-Disclosure. As used herein, the term "Confidential Information" includes any information that may be disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with this Agreement, regardless of whether such information is specifically designated as confidential and regardless of whether such information is in oral, written, electronic or other form, *provided* that where such information is disclosed in oral form if the Confidential Information is not of a nature that should reasonably be understood by the Receiving Party as being confidential, then to be considered Confidential Information for the purposes of this Agreement, the Disclosing Party must confirm in writing that such information is to be treated as Confidential Information within [***] days of such disclosure. The Receiving Party will hold Confidential Information in confidence using the same degree of care that it employs for its own highly-sensitive confidential or proprietary information, which will in no event be less than a reasonable standard of care and will use and disclose the Disclosing Party's Confidential Information only for the purpose of performing its obligations and exercising its rights under this Agreement. The Receiving Party may permit those directors, officers,

employees, consultants and advisers who have a need to know the Disclosing Party's Confidential Information to access such Confidential Information, *provided* that such employees are subject to confidentiality obligations that are no less stringent than those under Article 10 (Confidentiality). Notwithstanding the foregoing, Surface may disclose the Confidential Information received from Vaccinex to its advisors or actual or potential acquirers or Sublicensees if such advisors and actual or potential acquirers or Sublicensees agree prior to disclosure to be bound by confidentiality obligations no less stringent than those under Article 10 (Confidentiality). The Receiving Party's obligations under this Section 10.1 (Non-Disclosure) will continue throughout the Term and for five (5) years following the termination or expiration of this Agreement. The existence and terms of this Agreement shall be the Confidential Information of both Parties.

b..Exceptions. The confidentiality and non-use obligations set forth in Section 10.1 (Non-Disclosure) will not apply to Confidential Information that the Receiving Party can demonstrate by competent written proof: (a) was known by the Receiving Party without restriction prior to disclosure under this Agreement; (b) was lawfully disclosed to the Receiving Party by a Third Party without an obligation of confidentiality; (c) entered the public domain through means other than an unauthorized disclosure or other breach of this Agreement by the Receiving Party; (d) was independently developed by the Receiving Party without knowledge or use of or access to Confidential Information disclosed by the Disclosing Party under this Agreement; (e) was published or publicly disclosed in accordance with the terms of this Agreement; or (f) to the extent such information can be shown to be necessary to file a patent application subject to Section 5.1. Each Party may use or disclose Confidential Information disclosed to it by the other Party to the extent such use or disclosure is reasonably necessary in (i) filing or prosecuting patent applications, (ii) conducting clinical trials, (iii) making a permitted sublicense or otherwise exercising its rights hereunder.

c..Disclosure Required by Law. Notwithstanding Section 10.1 (Non-Disclosure), limited disclosure of Confidential Information will not be prohibited to the extent such Confidential Information is required to be produced under applicable law. If a Receiving Party is required by law, regulation, court order, or request by an agency of a government to disclose any of the Confidential Information, it will: promptly notify the Disclosing Party, reasonably assist the Disclosing Party to obtain a protective order or other remedy of Disclosing Party's election, and

provide prior review of any disclosure to Disclosing Party. Only that portion of the Confidential Information that is legally required will be furnished and reasonable efforts will be made to obtain assurance that the Confidential Information will be maintained in confidence.

d..Publication. Surface may publish or present the results of research or development carried out on any Selected Antibody or Licensed Product in its sole discretion, *provided* that any publication or presentation that includes Vaccinex's Confidential Information, or relates to Other Vaccinex Intellectual Property Rights, shall be subject to (i) Sections 10.1-10.3 hereto, and (ii) the prior review by Vaccinex, such review period not to exceed [***] days, and Surface shall consider Vaccinex's comments in good faith.

e..Publicity. Vaccinex may, subject to Surface's review and approval, issue a press release announcing the Parties' entry into this Agreement, *provided* that such press release shall not identify the specific indications of the Selected Antibody and Licensed Product hereunder.

Article 11.
MISCELLANEOUS

a..Force Majeure. Neither Party shall be responsible to the other for failure or delay in performing any of its obligations under this Agreement or for other non-performance hereof (other than failure to pay) provided that such delay or non-performance is occasioned by a cause beyond the reasonable control and without fault or negligence of such Party, including, but not limited to earthquake, fire, flood, explosion, discontinuity in the supply of power, court order or governmental interference, or act of God, and provided that such Party will inform the other Party of such event as soon as is reasonably practicable and that it will use commercially reasonable efforts to perform its obligations immediately after the relevant cause has ceased its effect.

b..Validity. Should one or several provisions of this Agreement be or become invalid, then the Parties shall substitute for such invalid provisions valid ones, which in their economic effect come so close to the invalid provisions that it can be reasonably assumed that the Parties would have contracted this Agreement with those new provisions. In the event that such provisions cannot be determined, the invalidity of one or several provisions of the Agreement shall not affect the validity of the Agreement as a whole, unless the invalid provisions are of such essential importance for this Agreement that it is to be reasonably assumed that the Parties would not have contracted this Agreement without the invalid provisions.

c..Disputes. Any claim, dispute or controversy arising out of or in connection with or relating to this Agreement shall be submitted for adjudication in Federal District Court in the Southern District of New York, USA.

d..Notices. Any legal notice required or permitted to be given under this Agreement shall be in writing and shall be sent by expedited delivery or emailed with receipt confirmed in writing, as follows and shall be effective upon receipt:

If to Vaccinex:

President
Vaccinex, Inc.
1895 Mt. Hope Avenue

Rochester, NY 14620
USA
EMAIL: [***]

If to Surface:
Chief Legal Officer
Surface Oncology, Inc.
50 Hampshire Street, 8th Floor
Cambridge, Massachusetts 02139
USA
EMAIL: [***]

Either Party may update the contact information in this Section 11.4 upon written notice to the other Party by email with receipt confirmed in writing.

e..Governing Law. Except as otherwise set forth in this Agreement the validity, performance, construction, and effect of this Agreement shall be governed by the laws of the state of New York, without regard to its conflict of law rules.

f..Entire Agreement. This Agreement, if executed, constitutes the entire agreement between the Parties with respect to the subject matter within and supersede all previous agreements, whether written or oral. This Agreement shall not be changed or modified orally, but only by an instrument in writing signed by both Parties.

g..Waiver. No waiver or release of any obligation under or provision of this Agreement shall be valid or effective unless in writing and signed by the waiving Party. The failure of either Party to insist on the performance of any obligation hereunder shall not be deemed to be a waiver of such obligation. Waiver of any provision hereunder or of any breach of any provision hereof shall not be deemed to be a continuing waiver or a waiver of any other breach of such provision (or any other provision) on such occasion or any succeeding occasion.

h..Assignment. The rights of either Party under this Agreement may not be assigned, and the duties of either Party under this Agreement may not be delegated, without the prior written consent of the other Party, which consent shall not be unreasonably withheld; *provided*, *however*, that either Party may assign this Agreement without prior written consent to an Affiliate of such Party or to a party which acquires all or substantially all of that Party's business to which this Agreement relates, whether by merger, sale of assets or otherwise.

i..Export. Each Party acknowledges that the laws and regulations of the U.S. restrict the export and re-export of commodities and technical data of U.S. origin. Each Party agrees that it will not export or re-export restricted commodities or the technical data of the other Party in any form without the appropriate U.S. and foreign government licenses.

j..Headings. Any headings and captions used in this Agreement are for convenience and reference only and are not a part of this Agreement.

k..Independent Contractors. The relationship between Vaccinex and Surface hereunder will be that of independent contractors and neither Party shall have the authority to bind or commit the

other to any third party. Nothing in this Agreement will be construed to create a joint venture, partnership, agency or employer-employee relationship between the Parties and Vaccinex shall be solely responsible for all employment and withholding taxes applicable to the services provided by its employees and contractors under this Agreement.

l..NO INDIRECT DAMAGES. EXCEPT FOR DAMAGES RESULTING FROM A PARTY'S BREACH OF CONFIDENTIALITY OR OF SECTIONS 7.1(b), 7.1(f) OR 7.2(c), OR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR IN CONNECTION WITH A PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER, NEITHER PARTY WILL BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, MULTIPLE, PUNITIVE, EXEMPLARY OR OTHER INDIRECT DAMAGES, AND NEITHER PARTY WILL BE RESPONSIBLE FOR LOST PROFITS OR LOST REVENUES, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES.

m..Counterparts. This Agreement may be executed in any number of counterparts (which may be transmitted in the form of a facsimile or pdf), each of which shall be an original, and all of which shall constitute together but one and the same document.

n..Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. The words "include" and "including" shall mean respectively includes and including without limitation. The word "or" shall not be deemed to be used in the exclusive sense and shall instead be used in the inclusive sense to mean "and/or." Each Party signing this Agreement acknowledges that such Party has had the opportunity to review this Agreement with legal counsel of such Party's choice, and there shall be no presumption that ambiguities shall be construed or interpreted against the drafter.

[*Signature Page to Exclusive License Agreement Follows*]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Effective Date.

vaccinex, INC.

By /s/ Maurice Zauderer
Name: Maurice Zauderer, Ph.D.
Title: President & Chief Executive Officer

SURFACE ONCOLOGY, INC.

By /s/ Jeff Goater

Name: Jeff Goater
Title: Chief Executive Officer

By /s/ Jessica Fees

Name: Jessica Fees
Title: Senior Vice President, Finance

EXHIBIT B

SELECTED ANTIBODY PATENT RIGHTS

[***]

EXHIBIT C

SELECTED ANTIBODIES

[***]

EXHIBIT D

Determination of Combination Product Value

[***]

EXHIBIT 21.1

SIGNIFICANT SUBSIDIARIES OF COHERUS BIOSCIENCES, INC.

Name of Subsidiary	Jurisdiction of Organization
Surface Oncology, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statements (Form S-3 Nos. 333-208625, 333-220590, 333-222698, and 333-268252) of Coherus BioSciences, Inc.,

(2) Registration Statements (Form S-8 Nos. 333-200593, 333-203356, 333-209936, 333-216679, 333-222700, 333-229480, 333-236068, 333-251876, 333-262134, and 333-269291) pertaining to the BioGenerics, Inc. 2010 Equity Incentive Plan, as amended, the Coherus BioSciences, Inc. 2014 Equity Incentive Award Plan, and the Coherus BioSciences, Inc. 2014 Employee Stock Purchase Plan, and

(3) Registration Statements (Form S-8 Nos. 333-213077, 333-225616, 333-228274, 333-229479, 333-231329, 333-234601, 333-236065, 333-251877 and 333-262941) pertaining to the 2016 Employment Commencement Incentive Plan of Coherus BioSciences, Inc.;

of our reports dated March 15, 2024, with respect to the consolidated financial statements of Coherus BioSciences, Inc. and the effectiveness of internal control over financial reporting of Coherus BioSciences, Inc. included in this Annual Report (Form 10-K) of Coherus BioSciences, Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

San Mateo, California
March 15, 2024

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dennis M. Lanfear, certify that:

1. I have reviewed this Annual Report on Form 10-K of Coherus BioSciences, Inc. (the "registrant");

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: March 15, 2024

/s/ Dennis M. Lanfear
Dennis M. Lanfear
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bryan McMichael, certify that:

1. I have reviewed this Annual Report on Form 10-K of Coherus BioSciences, Inc. (the "registrant");

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: March 15, 2024

/s/ Bryan McMichael
Bryan McMichael
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Coherus BioSciences, Inc. (the "Registrant") certify that the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: March 15, 2024

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and Chief Executive Officer

Date: March 15, 2024

By: /s/ Bryan McMichael
Name: Bryan McMichael
Title: Interim Chief Financial Officer

This certification accompanies the Annual Report on Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

COHERUS BIOSCIENCES, INC. (the "Company")

CLAWBACK POLICY

Approved and adopted by the Board on December 1, 2023

Introduction

The Board of Directors of the Company (the "**Board**") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the "**Policy**"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**").

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company's current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed ("**Covered Executives**").

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, the Board will require reimbursement or forfeiture of any excess Incentive Compensation (as defined below) received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

Incentive Compensation

For purposes of this Policy, "Incentive Compensation" means any of the following; provided that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units.
- Performance shares.
- Performance units.

Financial reporting measures include:

- Company stock price.
- Total shareholder return.
- Revenues, including Revenues for any particular product.
- Net income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Expenses, including SG&A and R&D operating expenses.
- Funds from operations.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

(a) requiring reimbursement of cash Incentive Compensation previously paid;

(b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;

(c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;

(d) cancelling outstanding vested or unvested equity awards; and/or

(e) taking any other remedial and recovery action permitted by law, as determined by the Board.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

Effective Date

This Policy shall be effective as of the date it is adopted by the Board (the "**Effective Date**") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date.

Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by a national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Impracticability

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.