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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2021
or

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

Commission File Number 000-30347

CURIS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware		**04-3505116**
(State or other jurisdiction of incorporation or organization)		**(I.R.S. Employer Identification No.)**

128 Spring Street, Building C - Suite 500, Lexington, Massachusetts, 02421
(Address of principal executive offices) (Zip Code)
617-503-6500
(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, $0.01 par value per share	CRIS	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 x

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 x

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

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). x 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" and "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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. x

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

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant (without admitting that any person whose shares are not included in such calculation is an affiliate) based on the last reported sale price of the common stock on June 30, 2021 was approximately $737.1 million. As of February 17, 2022, there were 91,645,369 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the registrant's proxy statement for the annual meeting of stockholders scheduled to be held on May 26, 2022, which are to be filed with the Commission not later than 120 days after the close of the Registrant's fiscal year ended December 31, 2021 pursuant to Regulation 14A, have been incorporated by reference in Items 10-14 of Part III of this Annual Report on Form 10-K.

CURIS, INC.

TABLE OF CONTENTS

Form 10-K

PART I

Cautionary Note Regarding Forward-Looking Statements and Industry Data

This annual report on Form 10-K contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. All statements other than statements of historical fact contained in this report are statements that could be deemed forward-looking statements, including without limitation any statements with respect to the plans, strategies and objectives of management for future operations; statements concerning product research, development and commercialization plans, timelines and anticipated results; statements of expectation or belief; statements with respect to clinical trials and studies; statements with respect to royalties and milestones; statements with respect to the therapeutic potential of drug candidates; expectations of revenue, expenses, earnings or losses from operations, or other financial results; and statements of assumptions underlying any of the foregoing. Without limiting the foregoing, the words "anticipate(s)", "believe(s)", "focus(es)", "could", "estimate(s)", "expect(s)", "intend(s)", "may", "plan(s)", "seek(s)", "will", "strategy", "mission", "potential", "should", "would" and other similar language, whether in the negative or affirmative, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements may include, but are not limited to, statements about:

- *the initiation, timing, progress and results of future preclinical studies and clinical trials, and our research and development programs;*
- *our plans to develop and commercialize our drug candidates;*
- *our collaborators' plans to further develop and commercialize Erivedge;*
- *our ability to establish and maintain collaborations or obtain additional funding;*
- *the timing or likelihood of regulatory filings and approvals;*
- *the implementation of our business model, strategic plans for our business, drug candidates and technology;*
- *our commercialization, marketing and manufacturing capabilities and strategy;*
- *the rate and degree of market acceptance and clinical utility of our products;*
- *our competitive position;*
- *our intellectual property position;*
- *developments and projections relating to our competitors and our industry;*
- *the potential of emavusertib, previously CA-4948; CI-8993; CA-170; fimepinostat; CA-327; and other drug candidates that we in-license, or may elect to in-license, or may acquire in the future;*
- *our estimates of the period in which we anticipate that existing cash and cash equivalents will enable us to fund our current and planned operations;*
- *impacts resulting from the continuing COVID-19 pandemic and responsive actions relating thereto;*
- *our ability to maintain our listing on the Nasdaq Global Market; and*
- *our estimates regarding expenses, future revenue, capital requirements and needs for additional financing.*

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. We therefore caution you against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in these forward-looking statements include the factors discussed below under the heading "Risk Factor Summary," and the risk factors detailed further in Item 1A, "Risk Factors" of Part 1 of this report and in our Securities and Exchange Commission reports filed after this report.

This report includes statistical and other industry and market data that we obtained from industry publications and research, surveys, and studies conducted by third parties as well as our own estimates. All of the market data used in this report involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such data. Industry publications and third-party research, surveys, and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. Our estimates of the potential market opportunities for our drug candidates include several key assumptions based on our industry knowledge, industry publications, third-party research, and other surveys, which may be based on a small sample size and may fail to accurately reflect market opportunities. While we believe that our internal assumptions are reasonable, no independent source has verified such assumptions.

The forward-looking statements included in this annual report represent our estimates as of the filing date of this annual report. We specifically disclaim any obligation to update these forward-looking statements in the future. These forward-looking statements should not be relied upon as representing our estimates or views as of any date subsequent to the date of this annual report.

Other Information

Unless otherwise indicated, or unless the context of the discussion requires otherwise, we use the terms "we," "us," "our" and similar references to refer to Curis, Inc. and its subsidiaries, on a consolidated basis. We use the terms "Curis" to refer to Curis, Inc. on a stand-alone basis.

Risk Factor Summary

Investment in our securities involves risk. You should carefully consider the following summary of what we believe to be the principal risks facing our business, in addition to the risks described more fully in Item 1A., "Risk Factors" of Part I of this annual report on Form 10-K and other information included in this report. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations.

If any of the following risks occurs, our business, financial condition, and results of operations and future growth prospects could be materially and adversely affected, and the actual outcomes of matters as to which forward-looking statements are made in this report could be materially different from those anticipated in such forward-looking statements.

- We have incurred substantial losses, expect to incur substantial losses for the foreseeable future and may never generate significant revenue or achieve or maintain profitability.
- We will require substantial additional funding, and if we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our drug development programs or commercialization efforts.
- We face risks related to the continuing COVID-19 pandemic, which has delayed and may continue to delay our ability to complete our ongoing clinical trials and the enrollment and initiation of future clinical trials, and may disrupt regulatory activities, cause substantial disruption in the financial markets and economy, or have other adverse effects on our business and operations.
- We face substantial competition, and our competitors may discover, develop or commercialize drugs before or more successfully than we do. Furthermore, the amount of royalty revenue we received from sales of Erivedge has been adversely affected by a competing drug, and may be further affected in the future.
- We depend heavily on the success of our most advanced drug candidates, including emavusertib (CA-4948) and CI-8993. If we are unable to initiate or complete the clinical development of, obtain marketing approval for or successfully commercialize our drug candidates, either alone or with a collaborator, or if we experience significant delays in doing so, our business will be materially harmed.
- If clinical trials of any drug candidates that we, or any collaborators, may develop fail to satisfactorily demonstrate safety and efficacy to the U.S. Food and Drug Administration, or FDA, and other regulators, we, or any collaborators, may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of these drug candidates.
- Adverse events or undesirable side effects caused by, or other unexpected properties of, drug candidates that we develop may be identified during development and could delay or prevent their marketing approval or limit their use.
- We rely on Genentech and Roche for the successful commercialization of Erivedge, and if they do not successfully commercialize Erivedge for advanced basal cell carcinoma, or BCC, our future prospects may be substantially harmed.
- We rely in part on third parties to conduct clinical trials of our internally-developed and in-licensed product candidates and for the research, development and commercialization of certain programs, and those third parties may not perform satisfactorily, including by failing to meet deadlines for the completion of such trials, research or testing.
- In the event of a default by us or Curis Royalty under the Oberland Purchase Agreement, we could, among other consequences, lose our retained rights to future royalty and royalty related payments on commercial sales of Erivedge, and our ability to enter into future arrangements may be inhibited, all of which could have a material adverse effect on our business, financial condition and stock price.
- If we are unable to obtain and maintain sufficient patent protection for our technologies and drugs, or our licensors are not able to obtain and maintain sufficient patent protection for the technologies or drugs that we license from them, or if the scope of the patent protection is not sufficiently broad, our competitors could develop and commercialize drugs

similar or identical to ours, and our ability to successfully commercialize our drug candidates may be adversely affected.

- If we or our collaborators are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we or they will not be able to commercialize, or will be delayed in commercializing, our drug candidates, and our ability to generate revenue will be materially impaired.

ITEM 1. BUSINESS

Overview

We are a biotechnology company focused on the development of first-in-class and innovative therapeutics for the treatment of cancer. Our clinical stage drug candidates are:

- Emavusertib, previously CA-4948, an orally available small molecule inhibitor of Interleukin-1 receptor-associated kinase 4, or IRAK4, which is currently undergoing testing in a Phase 1/2 open-label dose escalating clinical trial in patients with non-Hodgkin lymphomas, or NHL, including those with Myeloid Differentiation Primary Response Protein 88, or MYD88, alterations, also known as the TakeAim Lymphoma study. We reported preliminary clinical data from the study in December 2020. The trial was amended to include a combination study of emavusertib (CA-4948) and ibrutinib, a BTK inhibitor, in patients with NHL for which we enrolled the first patient in February 2021. We expect to provide initial data from the combination study in the first half of 2022. We are also conducting a separate Phase 1/2 open-label, single arm dose escalating and expansion trial in patients with relapsed or refractory, or R/R, acute myeloid leukemia, or AML, and high risk myelodysplastic syndromes, or MDS, also known as the TakeAim Leukemia study, and announced preliminary clinical data from this study in December 2020. The study was amended in April 2021 to include dose escalation cohorts of emavusertib (CA-4948) in combination with azacitidine or venetoclax. In April 2021, emavusertib (CA-4948) was granted Orphan Drug Designation for the treatment of R/R AML and high risk MDS by the U.S. Food and Drug Administration, or FDA. In June 2021, we reported updated preliminary clinical data from the TakeAim Leukemia study and announced the recommended Phase 2 dose for monotherapy dose expansion. In January 2022, we provided updated preliminary clinical data for patients from the TakeAim Leukemia study.
- CI-8993, a monoclonal antibody designed to antagonize the V-domain Ig suppressor of T cell activation, or VISTA, signaling pathway. In June 2020, we announced that the FDA had cleared our Investigational New Drug, or IND, application for CI-8993. In September 2020, we began enrollment in our Phase 1 trial of CI-8993 in patients with R/R solid tumors. We have an option to license CI-8993 from ImmuNext, Inc., or ImmuNext. In January 2022, we provided initial safety, pharmacokinetic and pharmacodynamic data from the Phase 1 study in patients with R/R solid tumors.

Our pipeline also includes the following:

- Fimepinostat, a small molecule that potently inhibits the activity of histone deacetylase, or HDAC, and phosphotidyl-inositol 3 kinase, or PI3 enzymes, which has been granted Orphan Drug Designation and Fast Track Designation for the treatment of diffuse large B-cell lymphoma, or DLBCL, and Orphan Drug Designation for nuclear protein in testis, or NUT, midline carcinoma by the FDA. In 2019, we began enrollment in a Phase 1 combination study with venetoclax in DLBCL patients, including patients with translocations in both MYC and the BCL2 gene, also referred to as double-hit lymphoma, or high-grade B-cell lymphoma, or HGBL. We reported preliminary clinical data from this combination study in December 2019. In March 2020, we announced that although we observed no significant drug-drug interaction in our Phase 1 study of fimepinostat in combination with venetoclax, we did not see an efficacy signal that would warrant continuation of the study. Accordingly, no further patients will be enrolled in this study. We are currently evaluating future studies for fimepinostat.
- CA-170, a small molecule antagonist of VISTA and PDL1, for which we announced initial data from a clinical study in patients with mesothelioma, in conjunction with the Society of Immunotherapy of Cancer conference in November 2019. Based on this data, no further patients will be enrolled in the study. We are currently evaluating future studies for CA-170.
- CA-327, a small molecule antagonist of PDL1 and TIM3, is a pre-IND stage oncology drug candidate.

We are party to a collaboration with Genentech Inc., or Genentech, a member of the Roche Group, under which Genentech and F. Hoffmann-La Roche Ltd, or Roche, are commercializing Erivedge® (vismodegib), a first-in-class orally administered small molecule Hedgehog signaling pathway antagonist. Erivedge is approved for the treatment of advanced basal cell carcinoma, or BCC.

In January 2015, we entered into an exclusive collaboration agreement with Aurigene Discovery Technologies Limited, or Aurigene, for the discovery, development and commercialization of small molecule compounds in the areas of immuno-

oncology and precision oncology, which was amended in September 2016 and February 2020. As of December 31, 2021, we had licensed four programs under the Aurigene collaboration.

1. IRAK4 Program - a precision oncology program of small molecule inhibitors of IRAK4. The development candidate is emavusertib (CA-4948), an orally available small molecule inhibitor of IRAK4.
2. PD1/VISTA Program - an immuno-oncology program of small molecule antagonists of PD1 and VISTA immune checkpoint pathways. The development candidate is CA-170, an orally available small molecule antagonist of VISTA and PDL1.
3. PD1/TIM3 Program - an immuno-oncology program of small molecule antagonists of PD1 and TIM3 immune checkpoint pathways. The development candidate is CA-327, an orally available small molecule antagonist of PDL1 and TIM3.
4. We exercised our option to license a fourth program, which is an immuno-oncology program.

In addition, we are party to an option and license agreement with ImmuNext. Pursuant to the terms of the option and license agreement, we have an option, exercisable for a specified period as set forth in the option and license agreement, to obtain an exclusive license to develop and commercialize certain VISTA antagonizing compounds, including ImmuNext's lead compound, CI-8993, and products containing these compounds in the field of oncology.

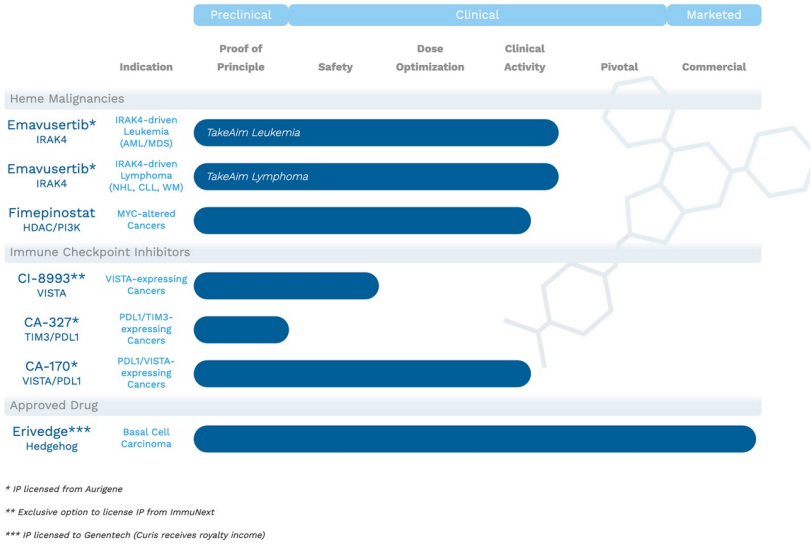
Based on our clinical development plans for our pipeline, we intend to focus our available resources on the continued development of emavusertib (CA-4948), in collaboration with Aurigene, and CI-8993, in collaboration with ImmuNext, in the near term.

COVID-19 Pandemic

The COVID-19 pandemic has caused many governments to implement measures to slow the spread of the pandemic through quarantines, strict travel restrictions, heightened border scrutiny, and other measures. The pandemic and government measures taken in response have had a significant impact, both direct and indirect, on businesses and commerce. While the COVID-19 pandemic has had adverse effects on our business and we expect the pandemic to have an adverse effect on our business, financial conditions and results of operations in the future, we are unable to predict the extent or nature of the future progression of the COVID-19 pandemic or its effects on our business and operations at this time. See Item 1A, “Risk Factors,” of Part I of this annual report on Form 10-K and “COVID-19 Pandemic” in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of Part I of this annual report on Form 10-K for information regarding the impact on us of the COVID-19 pandemic and responses related thereto.

Product Development Programs

We are seeking to develop and commercialize innovative drug candidates to treat cancer. Our product development initiatives, described in the table below, are being pursued using our internal resources or through our collaborations.



Since our inception in 2000, substantially all of our revenues have been derived from collaborations and other agreements with third-parties. For the years ended December 31, 2021, 2020, and 2019, milestone and royalty payments from Genentech accounted for $10.7 million, $10.7 million, and $10.4 million, or 100%, 98%, and 100%, respectively, of revenues, all of which was related to the development and commercialization of Erivedge.

Emavusertib (CA-4948)

Emavusertib (CA-4948) is an oral small molecule drug candidate that is designed to inhibit the IRAK4 kinase, which is an important transducer of toll-like receptor or certain interleukin receptor signaling pathways. These signaling pathways are shown to be involved in certain human cancers and inflammatory diseases.

Emavusertib (CA-4948) is a potent inhibitor of IRAK4 in biochemical and cell-based assays, as well as in an *in vivo* tumor model of diffuse large B cell lymphoma that harbors mutation in the IRAK4 pathway. Lead compounds from this program were also shown to be effective in an *in vivo* preclinical model of acute inflammation, suggesting that emavusertib (CA-4948) and other program compounds have the potential for use in the treatment of cancer and inflammatory diseases. Emavusertib (CA-4948) has been shown to be active in in vivo xenograft models of human lymphoma, and demonstrates activity in *ex-vivo* models of AML and MDS. In January 2018 we initiated an open-label Phase 1/2 dose escalating clinical trial in patients with non-Hodgkin lymphomas including those with MYD88 alterations, also known as the TakeAim Lymphoma study. We reported updated preliminary clinical data from this study in December 2020.

In addition, we initiated a separate Phase 1/2 open-label, single arm dose escalating trial in patients with R/R AML or high risk MDS, also known as TakeAim Leukemia study, in July 2020. We announced preliminary clinical data from this Phase 1/2 study in December 2020. The study was amended in April 2021 to include dose escalation cohorts of emavusertib (CA-4948) in combination with azacitidine or venetoclax. In April 2021, emavusertib (CA-4948) was granted Orphan Drug Designation for the treatment of AML and MDS by the FDA. In June 2021, we reported updated preliminary clinical data from the TakeAim Leukemia study and announced the recommended Phase 2 dose for monotherapy dose expansion. In January 2022, we provided updated preliminary clinical data for patients from the TakeAim Leukemia study.

CI-8993

CI-8993 is a human IgG1 kappa monoclonal antibody directed against the VISTA protein. VISTA shares homology with other immune checkpoint proteins, including PD-1 and PD-L1, and is an important negative regulator in the immune suppression induced by cancer. Recent studies suggest VISTA is strongly upregulated in response to treatment with other cancer immunotherapy agents. VISTA is strongly expressed in several tumor types including pancreatic cancer, mesothelioma, and prostate cancer. VISTA creates an immune blocking signal that is independent of, and complementary to, PD-1 and CTLA-4.

CI-8993 was originally developed as part of a license and collaboration agreement between ImmuNext and Janssen Biotech, Inc., or Janssen. In 2016, Janssen initiated clinical development of CI-8993 in a Phase 1 study evaluating safety, pharmacokinetics and pharmacodynamics of ascending doses of CI-8993 in patients with advanced solid tumors. The study enrolled 12 patients, in which one patient experienced dose-limiting side effects related to cytokine release syndrome. Janssen opted to close the study and ImmuNext regained control of the asset.

In January 2020, we announced plans to develop CI-8993, leveraging our clinical and non-clinical experience with a VISTA-focused program (CA-170). CI-8993 is currently undergoing testing in a Phase 1 trial in patients with R/R solid tumors. In January 2022, we provided initial safety, pharmacokinetic and pharmacodynamic data from the Phase 1 study in patients with R/R solid tumors.

Fimepinostat

Fimepinostat was invented by our scientists and is an oral, dual inhibitor of HDAC and PI3K enzymes. Fimepinostat has shown potent antitumor activity in a variety of hematologic tumor models such as non-Hodgkin's lymphoma, including some with alterations in MYC oncogene, and multiple myeloma. Non-clinical results indicate that at the mechanistic level, fimepinostat effectively downregulates MYC protein levels in MYC-altered and MYC-dependent cells and tumor models, consistent with the roles of HDAC and PI3K in MYC regulation. These results provide a mechanistic rationale for the clinical development of fimepinostat in MYC-driven malignancies.

Clinical development of fimepinostat began in January 2013. As previously disclosed, data from the Phase 1 and Phase 2 clinical studies with fimepinostat have resulted in a number of patients with R/R DLBCL (3rd line or later) achieving durable complete and partial responses, including MYC-altered patients. In light of the substantial unmet need for more effective therapies, in April 2015 and May 2018, respectively, the FDA granted fimepinostat orphan drug and fast track designations for the treatment of DLBCL.

In 2019, we began enrollment in a Phase 1 combination study with venetoclax in DLBCL patients, including patients with translocations in both MYC and the BCL2 gene, also referred to as double-hit lymphoma, or high-grade B-cell lymphoma. We reported preliminary clinical data from this combination study in the fourth quarter of 2019. In March 2020, we announced that although we observed no significant drug-drug interaction in our Phase 1 study of fimepinostat in combination with venetoclax, we did not see an efficacy signal that would warrant continuation of the study. Accordingly, no further patients will be enrolled in this study. We are currently evaluating future studies for fimepinostat.

We are party to an agreement with The Leukemia and Lymphoma Society, or LLS, dated November 2011, and as amended in August 2015. We agreed to make up to $1.7 million in future payments to LLS, which equals the aggregate payments previously received from LLS under the November 2011 agreement, pursuant to the achievement of certain objectives, including a licensing, sale, or other similar transaction, as well as regulatory and commercial objectives, in each case related to the fimepinostat program in hematological malignancies. However, if fimepinostat does not meet its clinical safety endpoints in clinical trials in the defined field, or fails to obtain necessary regulatory approvals, all funding provided to us by LLS will be considered a non-refundable grant.

CA-170

CA-170 is an oral small molecule drug candidate that is designed to selectively target VISTA and PDL1 immune checkpoint proteins, both of which independently function as negative regulators of immune activation.

In June 2016, we dosed the first patient in a Phase 1 trial of CA-170 being conducted in patients with solid tumors and lymphomas. In November 2019, we announced initial data in conjunction with the Society for Immunotherapy of Cancer conference and based on this data no further patients will be enrolled in the study. We are currently evaluating future studies for CA-170.

Our collaboration partner, Aurigene, initiated a Phase 2 trial for CA-170 in India in the first quarter of 2018. In 2019, Aurigene presented clinical data from a Phase 2a basket study of CA-170 in patients with multiple tumor types, including those with non-squamous non-small cell lung cancer, or nsNSCLC. In the study, CA-170 demonstrated promising signs of safety and activity in nsNSCLC patients compared to various anti-PD-1/PD-L1 antibodies. In February 2020, we amended our collaboration, license and option agreement with Aurigene. Under the terms of the amended agreement, Aurigene will fund and conduct a Phase 2b/3 randomized study evaluating CA-170 in combination with chemoradiation, in approximately 240 patients with nsNSCLC. Aurigene has rights to develop and commercialize CA-170 in Asia, in addition to its existing rights in India and Russia, based on the terms of the original agreement. We are entitled to receive royalty payments on potential future sales of CA-170 in Asia, and we retain rights in the U.S., European Union and rest of the world.

CA-327

In October 2016, we exercised our option under the Aurigene agreement to license the PDL1/TIM3 program. CA-327 is an oral small molecule drug candidate that is designed to selectively target PDL1 and TIM3 immune checkpoint proteins, both of which independently function as negative regulators of immune activation. CA-327 has demonstrated anti-tumor activity in multiple syngeneic mouse tumor models in an immune-dependent manner.

For a further discussion of our collaboration agreement with Aurigene, see “Business—Our Collaborations and License Agreements—Aurigene.”

Erivedge

Erivedge is an orally bioavailable small molecule which is designed to selectively inhibit the Hedgehog signaling pathway by targeting a protein called Smoothened. The Hedgehog signaling pathway is normally active during embryonic development and unregulated activation of the pathway is believed to play a central role in allowing the proliferation and survival of cancer cells and leading to formation and maintenance of certain cancers. Genetic mutations that lead to unregulated activation of Hedgehog signaling are found in BCC and medulloblastoma. Aberrant signaling in the Hedgehog signaling pathway is implicated in over 90% of BCC cases.

Erivedge is FDA approved for treatment of adults with metastatic basal cell carcinoma, or with locally advanced basal cell carcinoma that has recurred following surgery or who are not candidates for surgery, and who are not candidates for radiation and is being developed under a collaboration agreement with Genentech. Genentech and Roche are responsible for the clinical development and global commercialization of Erivedge. Erivedge is currently marketed and sold in the U.S. by Genentech and in the European Union, Australia and several other countries by Roche.

For a further discussion of our Hedgehog collaboration agreement with Genentech, see “Business—Our Collaborations and License Agreements —Genentech.”

Our Collaborations and License Agreements

Aurigene

In January 2015, we entered into an exclusive collaboration agreement with Aurigene for the discovery, development and commercialization of small molecule compounds in the areas of immuno-oncology and selected precision oncology targets. Under the collaboration agreement, Aurigene granted us an option to obtain exclusive, royalty-bearing licenses to relevant Aurigene technology to develop, manufacture and commercialize products containing certain of such compounds anywhere in the world, except for India and Russia, which are territories retained by Aurigene.

In September 2016, we and Aurigene entered into an amendment to the collaboration agreement. Under the terms of the amendment, in exchange for the issuance of our common stock, Aurigene waived payment of up to a total of $24.5 million in potential milestones and other payments associated with the first four programs in the collaboration that may have become due from us under the collaboration agreement. To the extent any of these waived milestones or other payments are not payable by us, for example in the event one or more of the milestone events do not occur, we will have the right to deduct the unused waived amount from any one or more of the milestone payment obligations tied to achievement of commercial milestone events. The amendment also provides that, in the event supplemental program activities are performed by Aurigene, we will provide up to $2.0 million of additional funding for each of the third and fourth licensed program.

In February 2020, we and Aurigene further amended our collaboration agreement. Under the terms of the amended agreement, Aurigene will fund and conduct a Phase 2b/3 randomized study evaluating CA-170, in combination with chemoradiation, in approximately 240 patients with non-squamous non-small cell lung cancer, or nsNSCLC. In turn, Aurigene receives rights to develop and commercialize CA-170 in Asia, in addition to its existing rights in India and Russia, based on the terms of the original agreement. We retain U.S., European Union, and rest of world rights to CA-170, and are entitled to receive royalty payments on potential future sales of CA-170 in Asia.

As of December 31, 2021, we have exercised our option to license the following four programs under the collaboration:

1. IRAK4 Program - a precision oncology program of small molecule inhibitors of IRAK4. The development candidate is emavusertib (CA-4948), an orally available small molecule inhibitor of IRAK4.
2. PD1/VISTA Program - an immuno-oncology program of small molecule antagonists of PD1 and VISTA immune checkpoint pathways. The development candidate is CA-170, an orally available small molecule antagonist of VISTA and PDL1.
3. PD1/TIM3 Program - an immuno-oncology program of small molecule antagonists of PD1 and TIM3 immune checkpoint pathways. The development candidate is CA-327, an orally available small molecule antagonist PDL1 and TIM3.
4. We exercised our option to license a fourth program, which is an immuno-oncology program.

For each of our licensed programs (as described above) we are obligated to use commercially reasonable efforts to develop, obtain regulatory approval for, and commercialize at least one product in each of the U.S., specified countries in the European Union and Japan, and Aurigene is obligated to use commercially reasonable efforts to perform its obligations under the development plan for such licensed program in an expeditious manner. We have remaining unpaid or unwaived payment obligations of $42.5 million per program, related to regulatory approval and commercial sales milestones, plus specified additional payments for approvals for additional indications, if any.

We have agreed to pay Aurigene tiered royalties on our and our affiliates' annual net sales of products at percentage rates ranging from the high single digits up to 10%, subject to specified reductions.

We have agreed to make certain payments to Aurigene upon our entry into sublicense agreements on any program(s), including:

- with respect to amounts that we and our affiliates receive from sublicensees under a licensed program in the U.S. or the European Union, a declining percentage of non-royalty sublicense revenues that is dependent on the stage of the most advanced product for such licensed program at the time the sublicense is granted, including, for example 25% of such amounts following the earlier of (1) initiation of the first Phase 2 trial and (2) determination by us that human proof-of-concept has been established in any indication and 15% of such amounts after initiation of the first pivotal study. This sharing will also extend to royalties that we receive from sublicensees, subject to minimum royalty percentage rates that we are obligated to pay to Aurigene, which generally range from mid-to-high single-digit royalty percentage rates up to 10%;
- with respect to sublicensing revenues we and our affiliates receive from sublicensees under a licensed program in Asia, 50% of such sublicensing revenues, including both non-royalty sublicensee revenues and royalties that we receive from sublicensees; and
- with respect to non-royalty sublicensing revenues we and our affiliates receive from sublicensees under a licensed program outside of the U.S., the European Union and Asia, a percentage of such non-royalty sublicense revenues ranging from 30% to 50%. We are also obligated to share 50% of royalties that we receive from sublicensees that we receive in these territories.

Our royalty payment obligations (including those on sales by sublicensees) under the collaboration agreement with respect to a product in a country will expire on a product-by-product and country-by-country basis on the later of: (i) expiration of the last-to-expire valid claim of the Aurigene patents covering the manufacture, use or sale of such product in such country; and (ii) 10 years from the first commercial sale of such product in such country.

The term of the collaboration agreement began upon signing and, unless earlier terminated, will expire upon either: (i) 90 days after the completion by Aurigene of its obligations under all research plans if we have not exercised the option with respect to at least one program by such time; or (ii) expiration of the last-to-expire royalty term for any and all products. Upon expiration (but not on earlier termination) of the collaboration agreement, all licenses granted by Aurigene to us that were in effect immediately prior to such expiration shall survive on a non-exclusive, royalty-free, fully paid, irrevocable, perpetual basis.

The collaboration agreement may be terminated, either in its entirety or with respect to a particular program, by either Aurigene or us for uncured material breach by the other party, other than an uncured material breach by the other party of its

diligence obligations with respect to a program or licensed program. If an uncured material breach other than a diligence breach relates to a particular program or licensed program, the non-breaching party may terminate the collaboration agreement only with respect to that program or licensed program. However, after initiation of the first pivotal clinical trial of a product for a licensed program, Aurigene may not terminate the collaboration agreement with respect to such licensed program for an uncured non-diligence breach by us, except in the case of our uncured material breach of our payment obligations with respect to such licensed program, but Aurigene may pursue any and all remedies that may be available to it at law or in equity as a result of such breach. Similarly, after initiation of the first pivotal clinical trial of a product for a licensed program, we may not terminate the collaboration agreement with respect to the license we have granted Aurigene for its territory of India and Russia for such licensed program for an uncured non-diligence breach by Aurigene, but we may pursue any and all remedies that may be available to us at law or in equity as a result of such breach.

On a program-by-program basis, we may terminate the collaboration agreement as it relates to a program or licensed program for an uncured breach by Aurigene with respect to such program or licensed program, and Aurigene may terminate the collaboration agreement as it relates to a licensed program for an uncured breach by us with respect to such licensed program.

In addition, we may terminate the collaboration agreement in its entirety or as it relates to a particular program or licensed program or on a country-by-country basis, for any reason or for no reason at any time upon 60 days' prior written notice to Aurigene.

In the event of termination of the collaboration agreement in its entirety before we have exercised the option for any program, or termination of the collaboration agreement as it relates to any program prior to exercise of the option for such program, all rights and licenses granted by either Aurigene or us to the other party with respect to such program under the collaboration agreement (including the option for such program) will automatically terminate.

If the royalty term with respect to a product for any licensed program in any country has expired on or before any termination of the collaboration agreement in its entirety or as to such licensed program, the license granted by Aurigene to us with respect to such product in such country, as well as the corresponding license granted to Aurigene in its territory, shall survive such termination of the collaboration agreement.

Solely in the event of termination of the collaboration agreement by Aurigene for our uncured breach, or our termination of the collaboration agreement for convenience, the following will apply to any program that was a licensed program immediately prior to such termination:

- our license with respect to any licensed program that is not a terminated program (defined below), either in our entire territory or in countries within our territory outside of the terminated region (defined below), as applicable, shall continue in full force and effect, subject to all terms and conditions of the collaboration agreement, including our payment obligations;
- our license with respect to any terminated program, either in our entire territory or in the terminated region, as applicable, shall terminate and revert to Aurigene;
- we will grant Aurigene a perpetual, royalty-free (except for pass-through royalties and milestone payments payable by us under licenses to third-party patent rights with respect to products developed or commercialized by or on behalf of Aurigene) license, with the right to sublicense, under our relevant patent rights and other technology solely to develop, manufacture and commercialize compounds and products for any terminated program, either in our entire territory or in the terminated region, as applicable. The foregoing license will be non-exclusive with respect to our patent rights and exclusive with respect to our other technology;
- we will grant to Aurigene a right of first negotiation, exercisable within 90 days after termination, to obtain an exclusive, royalty-bearing license, with the right to sublicense, under our relevant patent rights solely to develop, manufacture and commercialize compounds and products for any terminated program, either in our entire territory or in the terminated region, as applicable, upon commercially reasonable terms and conditions to be negotiated in good faith by the parties;
- we will perform other specified activities and actions reasonably necessary for Aurigene to develop, manufacture and commercialize compounds and products for any terminated program, either in our entire territory or in the terminated region, as applicable; and
- the applicable license to Aurigene will survive termination.

For purposes of the foregoing, "terminated program" means: (i) in the case of termination of the collaboration agreement in its entirety by Aurigene for our uncured non-diligence breach, any program that was a licensed program immediately prior to such termination, but excluding, except in the case of our uncured material breach of our payment obligations with respect to

such licensed program, any such licensed program for which initiation of the first pivotal clinical trial of a product has occurred prior to such termination; (ii) in the case of any termination of the collaboration agreement as to a particular licensed program by Aurigene either for our uncured non diligence breach (to the extent termination as to such licensed program is permitted) or our uncured diligence breach, such licensed program; (iii) in the case of our termination of the collaboration agreement in its entirety for convenience, any program that was a licensed program immediately prior to such termination; or (iv) in the case of our termination of the collaboration agreement as to a particular licensed program for convenience, such licensed program; provided, however, that, in the case of the preceding clauses (iii) and (iv), if our termination of the collaboration agreement in its entirety or as to a particular licensed program for convenience was with respect only to a particular country or subset of countries within the entire territory as applicable, a terminated region, the applicable licensed program(s) shall be considered "terminated program(s)" only in the terminated region but shall remain licensed program(s) in the rest of our territory.

ImmuNext

In January 2020, we entered into an option and license agreement with ImmuNext, or the ImmuNext Agreement. Under the terms of the ImmuNext Agreement, we agreed to engage in a collaborative effort with ImmuNext, and to conduct a Phase 1 clinical trial of CI-8993. In exchange, ImmuNext granted us an exclusive option, exercisable until the earlier of (a) January 2024 and (b) 90 days after database lock for the first Phase 1 trial in which the endpoints are satisfied, or the Option Period, to obtain an exclusive, worldwide license to develop and commercialize certain VISTA antagonizing compounds and products containing these compounds in the field of oncology.

During the Option Period, we will conduct the Phase 1 trial and ImmuNext will conduct certain agreed upon non-clinical research activities to support the Phase 1 trial. During the Option Period, we will assign to ImmuNext all right, title and interest in and to, inventions made by us alone or jointly with ImmuNext in conducting clinical and non-clinical activities under the ImmuNext Agreement during the Option Period and any patent rights covering those inventions. Effective as of the option exercise date (if any), ImmuNext will assign to us (i) all such inventions that were made solely by us and any patent rights covering those inventions that were assigned by us to ImmuNext during the Option Period and (ii) a joint ownership interest in all such inventions that were made jointly by us and ImmuNext and patent rights covering those inventions that we assigned to ImmuNext during the option period, except for any of those inventions that relates to compounds as to which ImmuNext has retained exclusive rights.

In January 2020, we paid $1.3 million in an upfront fee to ImmuNext. In addition, if we exercise the option, we will pay ImmuNext an option exercise fee of $20.0 million. ImmuNext will be eligible to receive up to $4.6 million in potential development milestones, up to $84.3 million in potential regulatory approval milestones, and up to $125.0 million in potential sales milestone payments from us. ImmuNext is also eligible to receive tiered royalties on annual net sales on a product-by-product and country-by-country basis, at percentage rates ranging from high single digits to low double digits, subject to specified adjustments.

Our royalty payment obligations under the ImmuNext Agreement with respect to a product in a country will expire on the later of (i) expiration of the last-to-expire valid claim of the ImmuNext patents or jointly owned patents covering the manufacture, use or sale of such product in such country, (ii) the expiration of all regulatory exclusivity for such product in such country, and (iii) 10 years from the first commercial sale of such product in such country.

In partial consideration for drug substance, technical advice, and maintenance of ImmuNext's existing IND and access to ImmuNext's technology during the Option Period, we will make semi-annual maintenance fee payments of $0.4 million to ImmuNext. In addition, we will reimburse ImmuNext for certain documented external costs and expenses incurred by ImmuNext in carrying out non-clinical research activities approved by the joint steering committee, up to $0.3 million per calendar year, unless otherwise agreed to by both parties in writing.

We have agreed to pay ImmuNext a low double-digit percentage of sublicense revenue received by us or our Affiliates.

The term of the ImmuNext Agreement began on January 6, 2020, and, unless earlier terminated, will expire upon either: (a) expiration of the Option Period if we have not exercised the Option; or (b) expiration of all royalty payment obligations for any and all products. Upon expiration (but not on earlier termination) of the ImmuNext Agreement after exercise of the option, the license granted by ImmuNext to us shall automatically become fully paid-up, royalty-free, irrevocable and perpetual.

The ImmuNext Agreement may be terminated by either us or ImmuNext for an uncured material breach by the other party or if the other party files for bankruptcy or insolvency. ImmuNext may terminate the ImmuNext Agreement if we or any of our affiliates or sublicensees challenges any ImmuNext patents licensed to us or if we cease all research, development, manufacturing and commercialization activities for the products for a specified continuous period of time. We may terminate the ImmuNext Agreement for convenience, in its entirety or on a product-by-product basis.

In the event we terminate the ImmuNext Agreement for convenience or ImmuNext terminates the ImmuNext Agreement for uncured material breach, patent challenge, cessation of product-related activities or filing of bankruptcy or insolvency by us,

then all rights and licenses granted to us will terminate, and, subject to specified royalty payment obligations of ImmuNext, we will grant ImmuNext (i) an exclusive, perpetual, nontransferable, worldwide license under patents controlled by us and (ii) a non-exclusive license under any know-how controlled by us, in each case, that are necessary or reasonably useful for the exploitation of the ImmuNext compounds antagonizing VISTA or products we were developing or commercializing under the ImmuNext Agreement, and solely to exploit such compounds and products.

In the event we terminate the ImmuNext Agreement for uncured material breach or filing of bankruptcy or insolvency by ImmuNext after exercising the option, then the licenses granted by ImmuNext shall survive in perpetuity, subject to our obligation to pay milestone payments and royalties to ImmuNext in accordance with the ImmuNext Agreement.

Genentech

In 2003, we entered into a collaborative research, development and license agreement with Genentech, which we refer to as the collaboration agreement.

Under the terms of our collaboration agreement with Genentech, we granted Genentech an exclusive, global, royalty-bearing license, with the right to sublicense, to make, use, sell and import molecules capable of inhibiting the Hedgehog signaling pathway (including small molecules, proteins and antibodies) for human therapeutic applications, including cancer therapy. Genentech subsequently granted a sublicense to Roche for non-U.S. rights to Erivedge other than in Japan where such rights are held by Chugai. Genentech and Roche are responsible for worldwide clinical development, regulatory affairs, manufacturing and supply, formulation, and sales and marketing.

We are eligible to receive up to an aggregate of $115.0 million in contingent cash milestone payments, exclusive of royalty payments, in connection with the development of Erivedge or another small molecule Hedgehog pathway inhibitor, assuming the successful achievement by Genentech and Roche of specified clinical development and regulatory objectives. Of this amount, we have received $59.0 million to date.

In addition to the contingent cash milestone payments, our wholly owned subsidiary, Curis Royalty, LLC, or Curis Royalty, is entitled to a royalty on net sales of Erivedge that ranges from 5% to 7.5% based upon global Erivedge sales by Roche and Genentech. The royalty rate applicable to Erivedge may be decreased by 2% on a country-by-country basis in certain specified circumstances, including when a competing product that binds to the same molecular target as Erivedge is approved by the applicable country's regulatory authority in another country and is being sold in such country by a third-party for use in the same indication as Erivedge, or, when there is no issued intellectual property covering Erivedge in a territory in which sales are recorded. During the third quarter of 2015, the FDA and the European Medicine Agency's Committee for Medicinal Products for Human Use, or CHMP approved another Hedgehog signaling pathway inhibitor, Odomzo® (sonidegib), which is marketed by Sun Pharmaceutical Industries Ltd., for use in locally advanced BCC. Accordingly, Genentech reduced royalties to Curis Royalty on its net sales in the United States of Erivedge by 2% since the fourth quarter of 2015, and we anticipate that Genentech will reduce by 2% royalties on net sales of Erivedge outside of the United States on a country-by-country basis to the extent that sonidegib is approved by the applicable country's regulatory authority and is being sold in such country. However, pursuant to the Oberland Purchase Agreement described below, we have retained our rights with respect to the 2% of royalties that are subject to such reduction in countries where such reduction may or has occurred, subject to the terms and conditions of the Oberland Purchase Agreement, which we refer to as the "Retained Royalty Amounts".

As a result of our licensing agreements with various universities, we are also obligated to make payments to university licensors on royalties that Curis Royalty earns in all territories in an amount that is equal to 5% of the royalty payments received from Genentech. This obligation endures on a country-by-country basis for a period of 10 years from the first commercial sale of Erivedge, which occurred in February 2012 in the U.S.

Unless terminated earlier, the collaboration agreement will expire six months after the later of the expiration of Genentech's obligation to pay royalties to us under the agreement or such time as no activities have occurred under the agreement for a period of twelve months. The collaboration agreement may be terminated earlier by either party for cause upon sixty days prior written notice. In addition, Genentech may terminate the agreement, either in whole or in part, without cause, upon six months prior written notice. In the event of any termination where specific license grants survive, we will continue to have the right to receive clinical development and regulatory approval milestones and royalties on product sales for such licensed compound, if any. If we terminate the agreement for cause or Genentech terminates the agreement without cause, all licenses granted to Genentech automatically terminate and revert to us. In addition, Genentech has agreed that it will no longer conduct any development or commercialization activities on any compounds identified in the course of conducting activities under the research plan for the agreement for so long as such compounds continue to be covered by valid patent claims.

Transactions Related to Erivedge Royalties

Under the terms of a credit agreement entered into in December 2012 between our wholly owned subsidiary, Curis Royalty, and BioPharma Secured Debt Fund II Sub, S. à r. l., a Luxembourg limited liability company managed by Pharmakon Advisors, or BioPhamra-II, quarterly royalty and royalty-related payments from Genentech were first applied to pay interest and second, principal on the loan from BioPharma-II. As a result of the loan received from BioPharma-II, we continued to record royalty revenue from Genentech and applied such revenues to pay down such loan. Curis Royalty retained the right to royalty payments related to sales of Erivedge following repayment of the loan.

In March 2017, we and Curis Royalty entered into a credit agreement with HealthCare Royalty Partners III, L.P., or HealthCare Royalty, for the purpose of refinancing and terminating the loan from BioPharma-II. HealthCare Royalty made a $45.0 million loan at an interest rate of 9.95% to Curis Royalty, with the net proceeds following the repayment of the BioPharma-II loan distributed to us as sole equity member of Curis Royalty. The loan constituted an obligation of Curis Royalty and was non-recourse to Curis. On March 22, 2019 we terminated the loan with HealthCare Royalty, and repaid in full all amounts outstanding under the credit agreement.

In connection with our repayment and termination of the credit agreement with HealthCare Royalty, on March 22, 2019, we and Curis Royalty entered into a royalty interest purchase agreement, referred to as the Oberland Purchase Agreement, with TPC Investments I LP and TPC Investments II LP, referred to as the Purchasers, each of which is a Delaware limited partnership managed by Oberland Capital Management, LLC, and Lind SA LLC, referred to as the Agent, a Delaware limited liability company managed by Oberland Capital Management, LLC, as collateral agent for the Purchasers, for the purpose of providing operating cash flow and extinguishing the credit agreement with HealthCare Royalty. In connection with entering in the Oberland Purchase Agreement, Curis Royalty and the Agent also entered into a security agreement, we and the Agent entered into a pledge agreement and we and Curis Royalty entered into a consent and payment direction letter agreement with Genentech.

Pursuant to the Oberland Purchase Agreement, the Purchasers acquired the rights to a portion of certain royalty and royalty-related payments excluding a portion of non-US royalties retained by Curis Royalty, referred to as the Purchased Receivables, owed by Genentech under our collaboration agreement with Genentech. Upon closing of the Oberland Purchase Agreement, Curis Royalty received an upfront purchase price of $65.0 million from the Purchasers, approximately $33.8 million of which was used to pay off the remaining loan principal under the credit agreement with HealthCare Royalty, and $3.7 million of which was used to pay transaction costs, including $3.4 million to HealthCare Royalty in accrued and unpaid interest and prepayment fees under the credit agreement, resulting in net proceeds of $27.5 million. Curis Royalty will also be entitled to receive milestone payments of $53.5 million if the Purchasers receive payments pursuant to the Oberland Purchase Agreement in excess of $117.0 million on or prior to December 31, 2026, which milestone payments may each be paid, at the option of the Purchasers, in a lump sum in cash or out of the Purchaser's portion of future payments under the Oberland Purchase Agreement.

Pursuant to the terms of the Oberland Purchase Agreement, so long as an event of default by Curis Royalty has not occurred under the security agreement, royalty and royalty-related payments owed by Genentech under the Genentech collaboration agreement in each calendar year shall be allocated in the following order: (1) Curis Royalty shall receive payments reflecting the Retained Royalty Amounts (as defined above) to the extent actually paid by Genentech under the Genentech collaboration agreement, (2) Curis Royalty shall receive payments to satisfy Curis' royalty obligations to certain academic institutions subject to a specified percentage cap and/or a specified period of time, (3) Curis Royalty shall receive a fixed amount of payments to reimburse intellectual property and other enforcement costs, whether or not actually incurred by us, (4) the Purchasers shall receive 100.0% of all payments up to $13.2 million in the aggregate in such calendar year, and (5) any additional payments in such calendar year shall be paid 65.0% to Curis Royalty and 35.0% to the Purchasers.

The Oberland Purchase Agreement also provides that, so long as an event of default by Curis Royalty has not occurred under the security agreement, if Curis Royalty recovers any monetary award or settlement or any other non-ordinary course lump sum payment made in respect of the royalty and royalty-related payments owed by Genentech under the Genentech collaboration agreement that does not specifically relate to any calendar period, then such payment or other recovery shall be allocated in the following order: (1) Curis Royalty shall receive payments to satisfy Curis' royalty obligations to certain academic institutions up to a specified percentage cap, (2) the Purchasers shall receive 100.0% of all such payments up to an amount equal to the product of $13.2 million and the number of full calendar years, and any fraction thereof, in the period beginning on the first day of the calendar quarter in which such payment or other recovery is received and ending on December 31, 2028, subject to certain exceptions, and (3) any additional payment shall be paid 65.0% to Curis Royalty and 35.0% to the Purchasers. Following an event of default under the security agreement, the Agent has the right to stop all allocations of payments that would have otherwise been allocated to Curis Royalty pursuant to the foregoing two paragraphs and instead retain all such payments.

In addition, the Oberland Purchase Agreement provides that after the occurrence of an event of default by Curis Royalty under the security agreement, as described below, the Purchasers shall have the option, for a period of 180 days, to require Curis Royalty to repurchase the Purchased Receivables at a price, referred to as the Put/Call Price, equal to a percentage,

beginning at a low triple digit percentage and increasing over time up to a low-mid triple digit percentage of the sum of the upfront purchase price and any portion of the milestone payments paid in a lump sum by the Purchasers, if any, minus certain payments previously received by the Purchasers with respect to the Purchased Receivables. Additionally, Curis Royalty shall have the option at any time to repurchase the Purchased Receivables at the Put/Call Price as of the date of such repurchase.

The Oberland Purchase Agreement will terminate upon the earlier to occur of (i) the date on which Curis Royalty's rights to receive the Purchased Receivables owed by Genentech under the Genentech collaboration agreement have terminated in their entirety and (ii) the date on which payment in full of the Put/Call Price is received by the Purchasers pursuant to the Purchasers' exercise of their put option or Curis Royalty's exercise of its call right as described above.

Pursuant to the security agreement, Curis Royalty granted to the Agent a first priority lien and security interest in all of its assets and all real, intangible and personal property, including all of its right, title and interest in and to the Erivedge royalty payments. The security interest secures the obligations of Curis Royalty arising under the Oberland Purchase Agreement, the security agreement or otherwise with respect to the due and prompt payment of (i) an amount equal to the Put/Call Price and (ii) all fees, costs, expenses, indemnities and other payments of Curis Royalty under or in respect of the Oberland Purchase Agreement and the security agreement. Additionally, in connection with the transaction, Curis granted to the Agent a first priority lien and security interest of Curis' equity interest in Curis Royalty pursuant to a pledge agreement.

Corporate Information

We were organized as a Delaware corporation in February 2000. We began our operations in July 2000 upon the completion of the merger of Creative BioMolecules, Inc., Ontogeny, Inc. and Reprogenesis, Inc. Our principal executive office is located at 128 Spring Street, Building C – Suite 500, Lexington, MA 02421 and our telephone number is (617) 503-6500.

Curis® and the Curis logo are trademarks or registered trademarks of Curis, and Erivedge® is a trademark of Genentech. This annual report on Form 10-K may also contain trademarks and trade names of others.

Website Access to Reports

We maintain a website with the address www.curis.com. We are not including the information contained in our website as part of, or incorporating it by reference into, this annual report on Form 10-K. Our website address is included in this annual report on Form 10-K as an inactive textual reference only. We make available free of charge through our website our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any such amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission, or SEC. The SEC maintains a website, www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. In addition, we provide paper copies of our filings free of charge upon request. We also make available on our website our corporate governance guidelines, the charters for our audit committee, compensation committee and nominating and corporate governance committee, and our code of business conduct and ethics, and such information is available in print to any stockholder of Curis who requests it.

Intellectual Property

Our policy is to obtain and enforce the patents and proprietary technology rights that are key to our business. We intend to continue to file U.S. and foreign patent applications to protect technology, inventions and improvements that are considered important to the development of our business. We will be able to protect our proprietary technologies from unauthorized use by third-parties only to the extent that our proprietary rights are covered by valid and enforceable patents or are effectively maintained as trade secrets.

In the U.S., as of December 31, 2021, we have 78 issued or allowed patents expiring on various dates between 2022 and 2038 as well as numerous pending patent applications. We have foreign counterpart patent filings for most of our U.S. issued patents and patent applications. These patents and patent applications are directed to various inventions including compositions of matter, methods of making and using these compositions for multiple applications, methods for drug screening and discovery, developmental biological processes, and patents which relate to our proprietary technologies.

Fimepinostat and other Targeted Drug Candidates. As of December 31, 2021, we have 28 issued or allowed U.S. patents that expire on various dates between 2027 and 2032, including patents covering the composition of matter for fimepinostat, which expires in 2032. We also have several U.S. and foreign utility patent applications directed to our novel small molecules. Our patents and patent applications cover compositions of matter, methods of manufacturing these molecules, formulations, and methods of using these molecules to treat a variety of therapeutic indications. We intend to continue to file additional U.S. and foreign applications as the programs progress.

Emavusertib (CA-4948), CA-170, CA-327 and other Aurigene Collaboration Programs. In conjunction with the October 2015 exercise of options to license the PDL1/VISTA and IRAK-4 programs, the October 2016 exercise of our option to license the PDL1/TIM3 program under this collaboration, and the March 2018 exercise of our option to the fourth program in immuno-oncology, we obtained world-wide (except for India and Russia) exclusive licenses to the Aurigene intellectual property relevant to the program. The portfolio consists of U.S. and foreign filings which cover various genera of compounds from each program and methods of use thereof. As of December 31, 2021, there are 17 issued or allowed U.S. patents expiring between 2031 and 2038 included in such filings.

Erivedge and the Hedgehog Signaling Pathway. As of December 31, 2021, we have 21 issued U.S. patents expiring on various dates between 2022 and 2036, which relate to the Hedgehog signaling pathway, including patents covering Erivedge's composition of matter, which expires in 2028. Our patents and patent applications cover proteins, and certain small molecule agonists and inhibitors of the Hedgehog signaling pathway, drug screening and discovery methods, as well as methods of using Hedgehog proteins, antibodies or small molecules to activate or inhibit the Hedgehog signaling pathway for a variety of therapeutic indications or diagnostic uses. In addition, we have filed foreign patent applications corresponding to many of the aforementioned U.S. filings that could provide additional patent protection for products that activate or inhibit the Hedgehog signaling pathway.

CI-8993. Under our ImmuNext agreement as of December 31, 2021 there are 12 issued or allowed U.S. patents expiring on various dates between 2025 and 2037, which relate to anti-VISTA antibodies including CI-8993. In addition, there are foreign patent applications filed corresponding to many of the aforementioned U.S. filings that could provide additional patent protection for anti-VISTA antibody products including CI-8993.

Our academic and research institution collaborators have certain rights to publish data and information regarding their discoveries to which we have rights. While we believe that the prepublication access to the data developed by our collaborators pursuant to our collaboration agreements will be sufficient to permit us to apply for patent protection in the areas in which we are interested in pursuing further research, there is considerable pressure on such institutions to rapidly publish discoveries arising from their efforts. This may affect our ability to obtain patent protection in the areas in which we may have an interest. In addition, these collaboration agreements typically contain provisions that provide us with, at a minimum, an option to license the institution's rights to intellectual property arising from the collaboration.

We are party to various license agreements that give us rights to commercialize various technologies, particularly our Hedgehog signaling pathway technologies, and to use technologies in our research and development processes. The consideration payable in exchange for these licenses includes up-front fees, issuances of shares of common stock, annual royalties, milestone payments and royalties on net sales by our sub-licensees and us. The licensors may terminate these agreements if we fail to meet certain diligence requirements, fail to make payments or otherwise commit a material breach that is not cured after notice.

In addition, we depend upon trade secrets, know-how and continuing technological advances to develop and maintain our competitive position. To maintain the confidentiality of trade secrets and proprietary information, we require our employees, scientific advisors, consultants and collaborators, upon commencement of a relationship with us, to execute confidentiality agreements and, in the case of parties other than our research and development collaborators, to agree to assign their inventions to us. These agreements are designed to protect our proprietary information and to grant us ownership of technologies that are developed in connection with their relationship to us.

Research and Development Program

As of December 31, 2021, our research and development group consisted of 41 employees, including medical doctors, molecular biologists, cell biologists, and other clinical or scientific disciplines who seek to identify and develop new applications for our existing proprietary portfolio.

Government Regulation and Product Approval

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

Review and Approval of Drugs and Biologics in the United States

In the United States, the FDA approves and regulates drug products under the Federal Food, Drug, and Cosmetic Act, or FDCA, and related regulations.

Biological products, or biologics, are licensed for marketing under the Public Health Service Act, or PHSA, and subject to regulation under the FDCA and related regulations. A company, institution, or organization which takes responsibility for the initiation and management of a clinical development program for such products is referred to as a sponsor. A sponsor seeking approval to market and distribute a new drug or biologic product in the United States must satisfactorily secure each of the following:

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

Preclinical Studies

Before a sponsor begins testing a compound with potential therapeutic value in humans, the product candidate enters the preclinical testing stage. Preclinical studies include laboratory evaluation of purity and stability of the manufactured substance, or active pharmaceutical ingredient and the formulated product, as well as *in vitro* and animal studies to assess the safety and activity of the product candidate for initial testing in humans and to establish a rationale for therapeutic use. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations and standards and the United States Department of Agriculture's Animal Welfare Act, if applicable. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, and long-term toxicity studies, may continue after the IND is submitted.

The IND and IRB Processes

An IND is a request for FDA authorization to administer an investigational product candidate to humans. Such authorization must be secured prior to interstate shipment and administration of any new drug or biologic that is not the subject of an approved NDA or BLA. In support of a request for an IND, sponsors must submit a protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, are submitted to the FDA as part of an IND. The FDA requires a 30-day waiting period after the filing of each IND before clinical trials may begin. This waiting period is designed to allow the FDA to review the IND to determine whether human research subjects will be exposed to unreasonable health risks. At any time during this 30-day period, or thereafter, the FDA may raise concerns or questions about the conduct of the trials as outlined in the IND and impose a clinical hold or partial clinical hold. In this case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin.

Following commencement of a clinical trial under an IND, the FDA may also place a clinical hold or partial clinical hold on that trial. Clinical holds are imposed by the FDA whenever there is concern for patient safety and may be a result of new data, findings, or developments in clinical, nonclinical, and/or chemistry, manufacturing and controls, or CMC. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation.

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

A sponsor may choose, but is not required, to conduct a foreign clinical study under an IND. When a foreign clinical study is conducted under an IND, all IND requirements must be met unless waived. When a foreign clinical study is not conducted under an IND, the sponsor must ensure that the study complies with certain regulatory requirements of the FDA in order to use the study as support for an IND or application for marketing approval. Specifically, the studies must be conducted in accordance with GCP, including undergoing review and receiving approval by an independent ethics committee, or IEC, and seeking and receiving informed consent from subjects. GCP requirements encompass both ethical and data integrity standards for clinical studies. The FDA's regulations are intended to help ensure the protection of human subjects enrolled in non-IND foreign clinical studies, as well as the quality and integrity of the resulting data. They further help ensure that non-IND foreign studies are conducted in a manner comparable to that required for IND studies.

In addition to the foregoing IND requirements, an IRB representing each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution, and the IRB must conduct a continuing review and reapprove the trial at least annually. The IRB must review and approve, among other things, the trial protocol and informed consent information to be provided to trial subjects. An IRB must operate in compliance with FDA regulations. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

The FDA's primary objectives in reviewing an IND are to assure the safety and rights of patients and to help assure that the quality of the investigation will be adequate to permit an evaluation of the drug's effectiveness and safety and of the biological product's safety, purity and potency. Additionally, some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board, or DSMB, or committee. This group provides authorization for whether a trial may move forward at designated check points based on access that only the group maintains to available data from the trial. Suspension or termination of development during any phase of clinical trials can occur if it is determined that the participants or patients are being exposed to an unacceptable health risk. Other reasons for suspension or termination may be made based on evolving business objectives and/or competitive climate.

Sponsors of clinical trials are required to register and disclose certain clinical trial information on a public registry (clinicaltrials.gov) maintained by the U.S. National Institutes of Health, or NIH. In particular, information related to the product, patient population, phase of investigation, study sites and investigators and other aspects of the clinical trial is made public as part of the registration of the clinical trial. The NIH's Final Rule on registration and reporting requirements for clinical trials became effective in 2017, and both NIH and the FDA have recently signaled the government's willingness to begin enforcing those requirements against non-compliant clinical trial sponsors. The failure to submit clinical trial information to clinicaltrials.gov, as required, is a prohibited act under the FDCA with violations subject to potential civil monetary penalties of up to $10,000 for each day the violation continues.

Expanded Access to an Investigational Drug for Treatment Use

Expanded access, sometimes called "compassionate use," is the use of investigational new drug products outside of clinical trials to treat patients with serious or immediately life-threatening diseases or conditions when there are no comparable or satisfactory alternative treatment options. FDA regulations allow access to investigational drugs under an IND by the company or the treating physician for treatment purposes on a case-by-case basis for: individual patients (single-patient IND applications for treatment in emergency settings and non-emergency settings); intermediate-size patient populations; and larger populations for use of the drug under a treatment protocol or Treatment IND Application.

When considering an IND application for expanded access to an investigational product with the purpose of treating a patient or a group of patients, the sponsor and treating physicians or investigators will determine suitability when all of the following criteria apply: patient(s) have a serious or immediately life-threatening disease or condition, and there is no comparable or satisfactory alternative therapy to diagnose, monitor, or treat the disease or condition; the potential patient benefit justifies the potential risks of the treatment and the potential risks are not unreasonable in the context or condition to be treated; and the expanded use of the investigational drug for the requested treatment will not interfere initiation, conduct, or completion of clinical investigations that could support marketing approval of the product or otherwise compromise the potential development of the product.

There is no obligation for a sponsor to make its candidate products available for expanded access; however, as required by the 21st Century Cures Act, or Cures Act, passed in 2016, sponsors are required to make their expanded access policies publicly available upon the earlier of initiation of a Phase 2 or Phase 3 study; or 15 days after the drug or biologic receives designation as a breakthrough therapy, fast track product, or regenerative medicine advanced therapy.

In addition, on May 30, 2018, the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a phase I clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its drug products available to eligible patients, but the manufacturer must develop an internal policy and respond to patient requests according to that policy.

Human Clinical Studies in Support of an NDA or BLA

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

The clinical investigation of an investigational drug or biological product is generally divided into four phases. Although the phases are usually conducted sequentially, they may overlap or be combined. The four phases of an investigation are as follows:

- ***Phase 1.*** Phase 1 studies include the initial introduction of an investigational new drug or biological product into humans. These studies are designed to evaluate the safety, dosage tolerance, metabolism and pharmacologic actions of the investigational drug or biological product in humans, the side effects associated with increasing doses, and if possible, to gain early evidence on effectiveness.
- ***Phase 2.*** Phase 2 includes the controlled clinical trials conducted to preliminarily or further evaluate the effectiveness of the investigational drug or biological product for a particular indication(s) in patients with the disease or condition under trial, to determine dosage tolerance and optimal dosage, and to identify possible adverse side effects and safety risks associated with the drug or biological product. Phase 2 clinical trials are typically well-controlled, closely monitored, and conducted in a limited patient population.
- ***Phase 3.*** Phase 3 clinical trials are generally controlled clinical trials conducted in an expanded patient population generally at geographically dispersed clinical trial sites. They are performed after preliminary evidence suggesting effectiveness of the drug or biological product has been obtained, and are intended to further evaluate dosage, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational drug or biological product, and to provide an adequate basis for product approval.
- ***Phase 4.*** Post-approval studies may be conducted after initial marketing approval. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication.

A clinical trial may combine the elements of more than one phase and the FDA often requires more than one Phase 3 trial to support marketing approval of a product candidate. A company's designation of a clinical trial as being of a particular phase is not necessarily indicative that the study will be sufficient to satisfy the FDA requirements of that phase because this determination cannot be made until the protocol and data have been submitted to and reviewed by the FDA. Moreover, as noted above, a pivotal trial is a clinical trial that is believed to satisfy FDA requirements for the evaluation of a product candidate's safety and efficacy such that it can be used, alone or with other pivotal or non-pivotal trials, to support regulatory approval. Generally, pivotal trials are Phase 3 trials, but they may be Phase 2 trials if the design provides a well-controlled and reliable assessment of clinical benefit, particularly in an area of unmet medical need.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. In addition, IND safety reports must be submitted to the FDA for any of the following: serious and unexpected suspected adverse reactions; findings from other studies or animal or *in vitro* testing that suggest a significant risk in humans exposed to the drug; and any clinically important increase in the case of a serious suspected adverse reaction over that listed in the protocol or investigator brochure.

In response to the COVID-19 pandemic, the FDA issued guidance on March 18, 2020, and has updated it periodically since that time to address the conduct of clinical trials during the pandemic. The guidance sets out a number of considerations for sponsors of clinical trials impacted by the pandemic, including the requirement to include in the clinical study report (or as a

separate document) contingency measures implemented to manage the study, and any disruption of the study as a result of COVID-19; a list of all study participants affected by COVID-19-related study disruptions by a unique subject identifier and by investigational site, and a description of how the individual's participation was altered; and analyses and corresponding discussions that address the impact of implemented contingency measures (e.g., participant discontinuation from investigational product and/or study, alternative procedures used to collect critical safety and/or efficacy data) on the safety and efficacy results reported for the study, among other things. The FDA has indicated that it will continue to provide any necessary guidance to sponsors, clinical investigators, and research institutions as the public health emergency evolves.

Manufacturing and Other Regulatory Requirements

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

Specifically, the FDA's regulations require that pharmaceutical products be manufactured in specific approved facilities and in accordance with cGMPs. The cGMP regulations include requirements relating to organization of personnel, buildings and facilities, equipment, control of components and product containers and closures, production and process controls, packaging and labeling controls, holding and distribution, laboratory controls, records and reports and returned or salvaged products. Manufacturers and other entities involved in the manufacture and distribution of approved pharmaceuticals are required to register their establishments with the FDA and some state agencies, and they are subject to periodic unannounced inspections by the FDA for compliance with cGMPs and other requirements. Inspections must follow a "risk-based schedule" that may result in certain establishments being inspected more frequently. Manufacturers may also have to provide, on request, electronic or physical records regarding their establishments. Delaying, denying, limiting, or refusing inspection by the FDA may lead to a product being deemed to be adulterated. Changes to the manufacturing process, specifications or container closure system for an approved product are strictly regulated and often require prior FDA approval before being implemented. The FDA's regulations also require, among other things, the investigation and correction of any deviations from cGMP and the imposition of reporting and documentation requirements upon the sponsor and any third-party manufacturers involved in producing the approved product.

Pediatric Studies

Under the Pediatric Research Equity Act of 2003, or PREA, an application or supplement thereto must contain data that are adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. Sponsors must also submit pediatric study plans prior to the assessment data. Those plans must contain an outline of the proposed pediatric study or studies the sponsor plans to conduct, including study objectives and design, any deferral or waiver requests and other information required by regulation. The sponsor, the FDA, and the FDA's internal review committee must then review the information submitted, consult with each other and agree upon a final plan. The FDA or the sponsor may request an amendment to the plan at any time.

For investigational products intended to treat a serious or life-threatening disease or condition, the FDA must, upon the request of a sponsor, meet to discuss preparation of the initial pediatric study plan or to discuss deferral or waiver of pediatric assessments. In addition, the FDA will meet early in the development process to discuss pediatric study plans with sponsors, and the FDA must meet with sponsors by no later than the end-of-phase 1 meeting for serious or life-threatening diseases and by no later than ninety days after the FDA's receipt of the study plan.

The FDA may, on its own initiative or at the request of the sponsor, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements. A deferral may be granted for several reasons, including a finding that the product or therapeutic candidate is ready for approval for use in adults before pediatric trials are complete or that additional safety or effectiveness data needs to be collected before the pediatric trials begin. The law now requires the FDA to send a PREA Non-Compliance letter to sponsors who have failed to submit their pediatric assessments required under PREA, have failed to seek or obtain a deferral or deferral extension or have failed to request approval for a required pediatric formulation. It further requires the FDA to publicly post the PREA Non-Compliance letter and sponsor's response.

Unless otherwise required by regulation, the pediatric data requirements do not apply to products with orphan designation, although FDA has recently taken steps to limit what it considers abuse of this statutory exemption in PREA by announcing that it does not intend to grant any additional orphan drug designations for rare pediatric subpopulations of what is otherwise a common disease. The FDA also maintains a list of diseases that are exempt from PREA requirements due to low prevalence of disease in the pediatric population.

Section 505(b)(2) NDAs

NDAs for most new drug products are based on two full clinical studies which must contain substantial evidence of the safety and efficacy of the proposed new product for the proposed use. These applications are submitted under Section 505(b)(1) of the FDCA. The FDA is, however, authorized to approve an alternative type of NDA under Section 505(b)(2) of the FDCA. This type of application allows the sponsor to rely, in part, on the FDA's previous findings of safety and efficacy for a similar product, or published literature. Specifically, Section 505(b)(2) applies to NDAs for a drug for which the investigations made to show whether or not the drug is safe for use and effective in use and relied upon by the sponsor for approval of the application "were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted."

Section 505(b)(2) thus authorizes the FDA to approve an NDA based on safety and effectiveness data that were not developed by the sponsor. NDAs filed under Section 505(b)(2) may provide an alternate and potentially more expeditious pathway to FDA approval for new or improved formulations or new uses of previously approved products. If the 505(b)(2) sponsor can establish that reliance on the FDA's previous approval is scientifically appropriate, the sponsor may eliminate the need to conduct certain preclinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new drug candidate for all or some of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) sponsor.

Fast Track, Breakthrough Therapy, Priority Review and Regenerative Advanced Therapy Designations

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. These programs are referred to as fast track designation, breakthrough therapy designation, priority review designation, and accelerated approval, collectively referred to as facilitated regulatory pathways, and regenerative advanced therapy designation. None of these expedited programs changes the standards for approval but they may help expedite the development or approval process for product candidates.

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

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

Third, the FDA may designate a product for priority review if it is a product that treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness. The FDA determines, on a case- by-case basis, whether the proposed product represents a significant improvement when compared with other available therapies. Significant improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting product reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, and evidence of safety and effectiveness in a new subpopulation. A priority designation is

intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA's goal for taking action on a marketing application from ten months to six months.

Finally, with passage of the Cures Act in December 2016, Congress authorized the FDA to accelerate review and approval of products designated as regenerative advanced therapies. A product is eligible for this designation if it is a regenerative medicine therapy that is intended to treat, modify, reverse or cure a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug has the potential to address unmet medical needs for such disease or condition. The benefits of a regenerative advanced therapy designation include early interactions with FDA to expedite development and review, benefits available to breakthrough therapies, potential eligibility for priority review and accelerated approval based on surrogate or intermediate endpoints.

Accelerated Approval Pathway

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

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

The accelerated approval pathway is most often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly. Thus, accelerated approval has been used extensively in the development and approval of products for treatment of a variety of cancers in which the goal of therapy is generally to improve survival or decrease morbidity and the duration of the typical disease course requires lengthy and sometimes large trials to demonstrate a clinical or survival benefit. Thus, the benefit of accelerated approval derives from the potential to receive approval based on surrogate endpoints sooner than possible for trials with clinical or survival endpoints, rather than deriving from any explicit shortening of the FDA approval timeline, as is the case with priority review.

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

Submission and Filing of an NDA or BLA

In order to obtain approval to market a drug or biological product in the United States, a marketing application must be submitted to the FDA that provides data establishing the safety and effectiveness of the proposed drug product for the proposed indication, and the safety, purity and potency of the biological product for its intended indication. The application includes 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 trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational drug product and the safety, purity and potency of the biological product to the satisfaction of the FDA.

The application is the vehicle through which sponsors formally propose that the FDA approve a new product for marketing and sale in the United States for one or more indications. Every new product candidate must be the subject of an approved NDA or BLA before it may be commercialized in the United States. Under federal law, the submission of most applications is subject to an application user fee, which for federal fiscal year 2022 is $3.1 million for an application requiring clinical data. The sponsor of an approved application is also subject to an annual program fee, which for fiscal year 2022 is $369,413. Certain exceptions and waivers are available for some of these fees, such as an exception from the application fee for products with orphan designation and a waiver for certain small businesses. If an application is withdrawn prior to the FDA acceptance for filing, 75% of these fees may be refunded to the sponsor. If an application is withdrawn after filing, a lower portion of these fees may be refunded in certain circumstances.

Following submission of an NDA or BLA, the FDA conducts a preliminary review of all applications within 60 days of receipt and must inform the sponsor at that time or before whether an application is sufficiently complete to permit substantive review. In pertinent part, FDA's regulations state that an application "shall not be considered as filed until all pertinent information and data have been received" by the FDA. In the event that FDA determines that an application does not satisfy this standard, it will issue a Refuse to File, or RTF, determination to the sponsor. Typically, an RTF will be based on administrative incompleteness, such as clear omission of information or sections of required information; scientific incompleteness, such as omission of critical data, information or analyses needed to evaluate safety and efficacy or provide adequate directions for use; or inadequate content, presentation, or organization of information such that substantive and meaningful review is precluded. The FDA may request additional information rather than accept an application for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing.

Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA has agreed to specified performance goals in the review process of NDAs and BLAs. Under that agreement, 90% of applications seeking approval of New Molecular Entities, or NMEs, are meant to be reviewed within ten months from the date on which FDA accepts the NDA for filing, and 90% of applications for NMEs that have been designated for "priority review" are meant to be reviewed within six months of the filing date. The review process and the Prescription Drug User Fee Act goal date may be extended by the FDA for three additional months to consider new information or clarification provided by the sponsor to address an outstanding deficiency identified by the FDA following the original submission.

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

In addition, as a condition of approval, the FDA may require a sponsor to develop a Risk Evaluation and Mitigation Strategy, or REMS. REMS use risk minimization strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease, expected benefit of the product, expected duration of treatment, seriousness of known or potential adverse events, and whether the product is a new molecular entity. Under the FDA Reauthorization Act of 2017, the FDA must implement a protocol to expedite review of responses to inspection reports pertaining to certain applications, including applications for products in shortage or those for which approval is dependent on remediation of conditions identified in the inspection report.

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

The FDA's Decision on an NDA or BLA

The FDA reviews an application to determine, among other things, whether the product is safe and whether it is effective for its intended use(s), with the latter determination being made on the basis of substantial evidence. The term "substantial evidence" is defined under the FDCA as "evidence consisting of adequate and well-controlled investigations, including clinical investigations, by experts qualified by scientific training and experience to evaluate the effectiveness of the product involved, on the basis of which it could fairly and responsibly be concluded by such experts that the product will have the effect it

purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof." The FDA has interpreted this evidentiary standard to require at least two adequate and well-controlled clinical investigations to establish effectiveness of a new product. Under certain circumstances, however, FDA has indicated that a single trial with certain characteristics and additional information may satisfy this standard.

After evaluating the application and all related information, including the advisory committee recommendations, if any, and inspection reports of manufacturing facilities and clinical trial sites, the FDA will issue either a Complete Response Letter, or CRL, or an approval letter. To reach this determination, the FDA must determine that the drug is effective and that its expected benefits outweigh its potential risks to patients. This "benefit-risk" assessment is informed by the extensive body of evidence about the product's safety and efficacy in the NDA or BLA. This assessment is also informed by other factors, including: the severity of the underlying condition and how well patients' medical needs are addressed by currently available therapies; uncertainty about how the premarket clinical trial evidence will extrapolate to real-world use of the product in the post-market setting; and whether risk management tools are necessary to manage specific risks.

A CRL indicates that the review cycle of the application is complete, and the application will not be approved in its present form. A CRL generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. The CRL may require additional clinical or other data, additional pivotal Phase 3 clinical trial(s) and/or other significant and time- consuming requirements related to clinical trials, preclinical studies or manufacturing. If a CRL is issued, the sponsor will have one year to respond to the deficiencies identified by the FDA, at which time the FDA can deem the application withdrawn or, in its discretion, grant the sponsor an additional six-month extension to respond. The FDA has committed to reviewing resubmissions in response to an issued CRL in either two or six months depending on the type of information included. Even with the submission of this additional information, however, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. The FDA has taken the position that a CRL is not final agency action making the determination subject to judicial review.

An approval letter, on the other hand, authorizes commercial marketing of the product with specific prescribing information for specific indications. That is, the approval will be limited to the conditions of use (e.g., patient population, indication) described in the FDA-approved labeling. Further, depending on the specific risk(s) to be addressed, the FDA may require that contraindications, warnings or precautions be included in the product labeling, require that post-approval trials, including Phase 4 clinical trials, be conducted to further assess a product's safety after approval, require testing and surveillance programs to monitor the product after commercialization or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing trials or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Under the Ensuring Innovation Act, which was signed into law in April 2021, the FDA must publish action packages summarizing its decisions to approve new drugs and biologics within 30 days of approval of such products. To date, CRLs are not publicly available documents.

Post-Approval Regulation

Drugs and biologics manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data.

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

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including 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 trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about a product;
- mandated modification of promotional materials and labeling and issuance of corrective information;
- fines, warning letters, untitled letters or other enforcement-related letters or clinical holds on post-approval clinical trials;
- refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- injunctions or the imposition of civil or criminal penalties; and
- consent decrees, corporate integrity agreements, debarment, or exclusion from federal health care programs.

The FDA strictly regulates the marketing, labeling, advertising and promotion products that are placed on the market. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label. In September 2021, the FDA published final regulations which describe the types of evidence that the agency will consider in determining the intended use of a drug or biologic. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability. If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the Department of Justice, or the Office of the Inspector General of the Department of Health and Human Services, as well as state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil and criminal fines and agreements that materially restrict the manner in which a company promotes or distributes drug products.

Generic Drugs and Regulatory Exclusivity

In 1984, as part of the Federal Food, Drug, and Cosmetic Act, or FDCA, Congress established an abbreviated regulatory scheme authorizing the FDA to approve generic drugs that are shown to contain the same active ingredients as, and to be bioequivalent to, drugs previously approved by the FDA pursuant to NDAs and it also enacted Section 505(b)(2). To obtain approval of a generic drug, a sponsor must submit an abbreviated new drug application, or ANDA, to the agency. In support of such applications, a generic manufacturer may rely on the preclinical and clinical testing conducted for a drug product previously approved under an NDA, known as the reference listed drug, or RLD.

Specifically, in order for an ANDA to be approved, the FDA must find that the generic version is identical to the RLD with respect to the active ingredients, the route of administration, the dosage form, the strength of the drug and the conditions of use of the drug. At the same time, the FDA must also determine that the generic drug is "bioequivalent" to the innovator drug. Under the statute, a generic drug is bioequivalent to a RLD if "the rate and extent of absorption of the drug do not show a significant difference from the rate and extent of absorption of the listed drug." Upon approval of an ANDA, the FDA indicates whether the generic product is "therapeutically equivalent" to the RLD in its publication "Approved Drug Products with Therapeutic Equivalence Evaluations," also referred to as the "Orange Book." Physicians and pharmacists consider a therapeutic equivalent generic drug to be fully substitutable for the RLD.

Under provisions of the FDCA, the FDA may not approve an ANDA or 505(b)(2) application until any applicable period of non-patent exclusivity for the RLD has expired. The FDCA provides a period of five years of non-patent data exclusivity for a new drug containing a new chemical entity, or NCE. For the purposes of this provision, FDA has consistently taken the position that an NCE is a drug that contains no active moiety that has previously been approved by the FDA in any other NDA. This interpretation was confirmed with enactment of the Ensuring Innovation Act in April 2021. An active moiety is the molecule or ion responsible for the physiological or pharmacological action of the drug substance. In cases where such NCE exclusivity has been granted, a generic or follow-on drug application may not be filed with the FDA until the expiration of five years unless the submission is accompanied by a Paragraph IV certification, in which case the sponsor may submit its application four years following the original product approval.

The FDCA also provides for a period of three years of exclusivity if the NDA includes reports of one or more new clinical investigations, other than bioavailability or bioequivalence studies, that were conducted by or for the sponsor and are essential

to the approval of the application. This three-year exclusivity period often protects changes to a previously approved drug product, such as new indications, dosage forms, route of administration or combination of ingredients. Three-year exclusivity would be available for a drug product that contains a previously approved active moiety, provided the statutory requirement for a new clinical investigation is satisfied. Unlike five-year NCE exclusivity, an award of three-year exclusivity does not block the FDA from accepting ANDAs or 505(b)(2) NDAs seeking approval for generic versions of the drug as of the date of approval of the original drug product; rather, this three-year exclusivity covers only the conditions of use associated with the new clinical investigations and, as a general matter, does not prohibit the FDA from approving follow-on applications for drugs containing the original active ingredient.

Five-year and three-year exclusivity also will not delay the submission or approval of a traditional NDA filed under Section 505(b)(1) of the FDCA; however, a sponsor submitting a traditional NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

As part of the submission of an NDA or certain supplemental applications, NDA sponsors are required to list with the FDA each patent with claims that cover the sponsor's product or an approved method of using the product. Upon approval of a new drug, each of the patents listed in the application for the drug is then published in the Orange Book. The FDA's regulations governing patent listings were largely codified into law with enactment of the Orange Book Modernization Act in January 2021. When an ANDA applicant files its application with the FDA, the applicant is required to certify to the FDA concerning any patents listed for the reference product in the Orange Book. Specifically, the ANDA applicant must certify that: (i) the required patent information has not been filed; (ii) the listed patent has expired; (iii) the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or (iv) the listed patent is invalid or will not be infringed by the new product. Moreover, to the extent that the Section 505(b)(2) NDA applicant is relying on studies conducted for an already approved product, the applicant also is required to certify to the FDA concerning any patents listed for the NDA-approved product in the Orange Book to the same extent that an ANDA applicant would.

If the generic drug or follow-on drug applicant does not challenge the innovator's listed patents, FDA will not approve the ANDA or 505(b)(2) application until all the listed patents claiming the referenced product have expired. A certification that the new generic product will not infringe the already approved product's listed patents or that such patents are invalid or unenforceable is called a Paragraph IV certification. If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA owner and patent holders once the ANDA has been accepted for filing by the FDA. The NDA owner and patent holders may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days after the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA or 505(b)(2) NDA until the earliest of 30 months after the receipt of the Paragraph IV notice, expiration of the patent and a decision in the infringement case that is favorable to the ANDA or 505(b)(2) NDA applicant.

Biosimilars and Regulatory Exclusivity

When a biological product is licensed for marketing by the FDA with approval of a BLA, the product may be entitled to certain types of market and data exclusivity barring the FDA from approving competing products for certain periods of time. In March 2010, the Patient Protection and Affordable Care Act was enacted in the United States and included the Biologics Price Competition and Innovation Act of 2009, or the BPCIA. The BPCIA amended the PHSA to create an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. To date, the FDA has approved a number of biosimilars. The first interchangeable biosimilar product was approved on July 30, 2021 and a second product previously approved as a biosimilar was designated as interchangeable in October 2021. The FDA has also issued numerous guidance documents outlining its approach to reviewing and licensing biosimilars and interchangeable biosimilars under the PHSA, including a draft guidance issued in November 2020 that seeks to provide additional clarity to manufacturers of interchangeable biosimilars.

Under the BPCIA, a manufacturer may submit an application for licensure of a biologic product that is "biosimilar to" or "interchangeable with" a previously approved biological product or "reference product." In order for the FDA to approve a biosimilar product, it must find that there are no clinically meaningful differences between the reference product and proposed biosimilar product in terms of safety, purity, and potency. For the FDA to approve a biosimilar product as interchangeable with a reference product, the agency must find that the biosimilar product can be expected to produce the same clinical results as the reference product, and (for products administered multiple times) that the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date of approval of the reference product. The FDA may not approve a biosimilar product until 12 years from the date on which the reference product was approved. Even if a product is considered to be a reference product eligible for exclusivity, another company could market a competing version of that product if the FDA approves a full BLA for such product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. The BPCIA also created certain exclusivity periods for biosimilars approved as interchangeable products. There have been recent government proposals to reduce the 12-year reference product exclusivity period, but none has been enacted to date. At the same time, since passage of the BPCIA, many states have passed laws or amendments to laws, which address pharmacy practices involving biosimilar products.

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act, the FDA may designate a drug product as an "orphan drug" if it is intended to treat a rare disease or condition generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a drug product available in the United States for treatment of the disease or condition will be recovered from sales of the product. A company must request orphan drug designation before submitting an NDA or BLA for the candidate product. If the request is granted, the FDA will disclose the identity of the therapeutic agent and its potential use. Orphan drug designation does not shorten the Prescription Drug User Fee Act, or PDUFA, goal dates for the regulatory review and approval process, although it does convey certain advantages such as tax benefits and exemption from the PDUFA application fee.

If a product with orphan designation receives the first FDA approval for the disease or condition for which it has such designation or for a select indication or use within the rare disease or condition for which it was designated, the product generally will receive orphan drug exclusivity. Orphan drug exclusivity means that the FDA may not approve another sponsor's marketing application for the same drug for the same indication for seven years, except in certain limited circumstances. Orphan exclusivity does not block the approval of a different product for the same rare disease or condition, nor does it block the approval of the same product for different indications. If a drug or biologic designated as an orphan drug ultimately receives marketing approval for an indication broader than what was designated in its orphan drug application, it may not be entitled to exclusivity.

Orphan exclusivity will not bar approval of another product under certain circumstances, including if a subsequent product with the same drug or biologic for the same indication is shown to be clinically superior to the approved product on the basis of greater efficacy or safety, or providing a major contribution to patient care, or if the company with orphan drug exclusivity is not able to meet market demand.

Pediatric Exclusivity

Pediatric exclusivity is another type of non-patent marketing exclusivity in the United States and, if granted, provides for the attachment of an additional six months of regulatory exclusivity, including orphan exclusivity. For drug products, the six-month exclusivity may be attached to the term of any existing patent or regulatory exclusivity available under provisions of the FDCA. For biologic products, the six-month period may be attached to any existing regulatory exclusivities but not to any patent terms. This six-month exclusivity may be granted if an NDA or BLA sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The data do not need to show the product to be effective in the pediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. If reports of requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity or patent protection cover the product are extended by six months. This is not a patent term extension, but it effectively extends the regulatory period during which the FDA cannot approve another application.

Patent Term Restoration and Extension

A patent claiming a new drug product may be eligible for a limited patent term extension under provisions of the FDCA, which permits a patent restoration of up to five years for patent term lost during product development and the FDA regulatory review. The restoration period granted on a patent covering a product is typically one-half the time between the effective date of an IND and the submission date of an NDA, plus the time between the submission date of an NDA and the ultimate approval date. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date. Only one patent applicable to an approved product is eligible for the extension, and the application for the extension must be submitted prior to the expiration of the patent in question. A patent that covers multiple products for which approval is sought can only be extended in connection with one of the approvals. The United States Patent and Trademark Office reviews and approves the application for any patent term extension or restoration in consultation with the FDA.

FDA Approval of Companion Diagnostics

If safe and effective use of a therapeutic depends on an *in vitro* diagnostic, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves the therapeutic product. In August 2014, the FDA issued final guidance clarifying the requirements that will apply to approval of therapeutic products and *in vitro* companion diagnostics. According to the guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic device is not approved or cleared for that indication. Approval or clearance of the companion diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population.

Under the FDCA, *in vitro* diagnostics, including companion diagnostics, are regulated as medical devices. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption applies, diagnostic tests require marketing clearance or approval from the FDA prior to commercial distribution.

The FDA previously has required *in vitro* companion diagnostics intended to select the patients who will respond to the product candidate to obtain pre-market approval, or PMA, simultaneously with approval of the therapeutic product candidate. The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, can take several years or longer. It involves a rigorous premarket review during which the sponsor must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. For federal fiscal year 2022, the standard fee is $374,858 and the small business fee is $93,714.

Review and Approval of Drug Products in the European Union

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of drug products. Whether or not it obtains FDA approval for a product, the company would need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. The approval process ultimately varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods

Clinical Trial Approval in the EU

Pursuant to the currently applicable Clinical Trials Directive 2001/20/EC and the Directive 2005/28/EC on GCP, a system for the approval of clinical trials in the EU has been implemented through national legislation of the member states. Under this system, a sponsor must obtain approval from the competent national authority of an EU member state in which the clinical trial is to be conducted, or in multiple member states if the clinical trial is to be conducted in a number of member states. Furthermore, the sponsor may only start a clinical trial at a specific study site after the competent ethics committee has issued a favorable opinion. The clinical trial application, or CTA, must be accompanied by an investigational medicinal product dossier with supporting information prescribed by Directive 2001/20/EC and Directive 2005/28/EC and corresponding national laws of the member states and further detailed in applicable guidance documents.

In April 2014, the new Clinical Trials Regulation, (EU) No 536/2014, or the Clinical Trials Regulation, was adopted. The Clinical Trials Regulation aims to simplify and streamline the approval of clinical trials in the EU. The main characteristics of the regulation include: a streamlined application procedure via a single entry point, the "EU portal"; a single set of documents to be prepared and submitted for the application as well as simplified reporting procedures for clinical trial sponsors; and a harmonized procedure for the assessment of applications for clinical trials, which is divided in two parts. Part I is assessed by the competent authorities of all EU Member States in which an application for authorization of a clinical trial has been submitted (Member States concerned). Part II is assessed separately by each Member State concerned. Strict deadlines have been established for the assessment of clinical trial applications. The role of the relevant ethics committees in the assessment procedure will continue to be governed by the national law of the concerned EU Member State. However, overall related timelines will be defined by the Clinical Trials Regulation.

The new Regulation is scheduled to be effective January 31, 2022, following confirmation of full functionality of the Clinical Trials Information System through an independent audit by the European Commission in mid-2020. The Clinical Trials Regulation will come into application in all the EU Member States, repealing the current Clinical Trials Directive 2001/20/EC.

The conduct of all clinical trials performed in the EU will continue to be bound by currently applicable provisions until the new Clinical Trials Regulation becomes applicable at the end of January 2022. According to the transitional provisions, if a clinical trial continues for more than three years from the day on which the Clinical Trials Regulation becomes applicable, the Clinical Trials Regulation will at that time begin to apply to the clinical trial.

As in the US, parties conducting certain clinical trials must post clinical trial information in the European Union at the EudraCT website: https://eudract.ema.europa.eu.

PRIME Designation in the EU

In March 2016, the EMA launched an initiative to facilitate development of product candidates in indications, often rare, for which few or no therapies currently exist. The PRIority MEdicines, or PRIME, scheme is intended to encourage drug development in areas of unmet medical need and provides accelerated assessment of products representing substantial innovation reviewed under the centralized procedure. Products from small- and medium-sized enterprises, or SMEs, may qualify for earlier entry into the PRIME scheme than larger companies. Many benefits accrue to sponsors of product candidates with PRIME designation, including but not limited to, early and proactive regulatory dialogue with the EMA, frequent discussions on clinical trial designs and other development program elements, and accelerated marketing authorization application assessment once a dossier has been submitted. Importantly, a dedicated Agency contact and rapporteur from the CHMP or Committee for Advanced Therapies, or CAT, are appointed early in PRIME scheme facilitating increased understanding of the product at EMA's Committee level.

Pediatric Studies

In the European Economic Area, or EEA, companies developing a new medicinal product must agree upon a Pediatric Investigation Plan, or PIP, with the EMA's pediatric committee, or PDCO, and must conduct pediatric clinical trials in accordance with that PIP, unless a waiver applies (e.g., because the relevant disease or condition occurs only in adults). The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the drug for which marketing authorization is being sought. The marketing authorization application for the product must include the results of pediatric clinical trials conducted in accordance with the PIP, unless a waiver applies, or a deferral has been granted by the PDCO of the obligation to implement some or all of the measures of the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in adults, in which case the pediatric clinical trials must be completed at a later date.

Marketing Authorization

In the EEA, marketing authorizations for medicinal products may be obtained through several different procedures founded on the same basic regulatory process.

The centralized procedure provides for the grant of a single marketing authorization that is valid for all EU Member States. The centralized procedure is compulsory for medicinal products produced by certain biotechnological processes, products designated as orphan medicinal products, and products with a new active substance indicated for the treatment of certain diseases, including cancer. It is optional for those products that are highly innovative or for which a centralized process is in the interest of patients.

Under the centralized procedure in the EU, the maximum timeframe for the evaluation of a MAA is 210 days, excluding clock stops, when additional written or oral information is to be provided by the sponsor in response to questions asked by the CHMP. Accelerated evaluation may be granted by the CHMP in exceptional cases. These are defined as circumstances in which a medicinal product is expected to be of a "major public health interest." Three cumulative criteria must be fulfilled in such circumstances: the seriousness of the disease, such as severely disabling or life-threatening diseases, to be treated; the absence or insufficiency of an appropriate alternative therapeutic approach; and anticipation of high therapeutic benefit. In these circumstances, the EMA ensures that the opinion of the CHMP is given within 150 days.

The decentralized procedure provides for approval by one or more other concerned EU Member States of an assessment of an application for marketing authorization conducted by one EU Member State, known as the reference EU Member State. In accordance with this procedure, a sponsor submits an application for marketing authorization to the reference EU Member State and the concerned EU Member States. This application is identical to the application that would be submitted to the EMA for authorization through the centralized procedure. The reference EU Member State prepares a draft assessment and drafts of the related materials within 120 days after receipt of a valid application. The resulting assessment report is submitted to the concerned EU Member States which, within 90 days of receipt, must decide whether to approve the assessment report and related materials.

If a concerned EU Member State cannot approve the assessment report and related materials due to concerns relating to a potential serious risk to public health, disputed elements may be referred to the European Commission, whose decision is binding on all EU Member States.

A marketing authorization may be granted only to a sponsor established in the EU. Regulation No. 1901/2006 provides that prior to obtaining a marketing authorization in the EU, a sponsor must demonstrate compliance with all measures included in a Pediatric Investigation Plan, or PIP, approved by the Pediatric Committee of the EMA, covering all subsets of the pediatric population, unless the EMA has granted a product-specific waiver, class waiver, or a deferral for one or more of the measures included in the PIP.

Conditional Approval

In particular circumstances, E.U. legislation (Article 14–a Regulation (EC) No 726/2004 (as amended by Regulation (EU) 2019/5 and Regulation (EC) No 507/2006 on Conditional Marketing Authorizations for Medicinal Products for Human Use) enables sponsors to obtain a conditional marketing authorization prior to obtaining the comprehensive clinical data required for an application for a full marketing authorization. Such conditional approvals may be granted for product candidates (including medicines designated as orphan medicinal products) if (1) the product candidate is intended for the treatment, prevention or medical diagnosis of seriously debilitating or life-threatening diseases; (2) the product candidate is intended to meet unmet medical needs of patients; (3) a marketing authorization may be granted prior to submission of comprehensive clinical data provided that the benefit of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required; (4) the risk-benefit balance of the product candidate is positive, and (5) it is likely that the sponsor will be in a position to provide the required comprehensive clinical trial data. A conditional marketing authorization may contain specific obligations to be fulfilled by the marketing authorization holder, including obligations with respect to the completion of ongoing or new studies and with respect to the collection of pharmacovigilance data. Conditional marketing authorizations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions or specific obligations. The timelines for the centralized procedure described above also apply with respect to the review by the CHMP of applications for a conditional marketing authorization.

Regulatory Requirements After Marketing Authorization

Following marketing authorization of a medicinal product in the EU, the holder of the authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products. These include compliance with the EU's stringent pharmacovigilance or safety reporting, as well as rules potentially requiring post-authorization studies and additional monitoring obligations. In addition, the manufacturing of authorized medicinal products, for which a separate manufacturer's license is mandatory, must also be conducted in strict compliance with the applicable EU laws, regulations and guidance, including Directive 2001/83/EC, Directive 2003/94/EC, Regulation (EC) No 726/2004 and the European Commission Guidelines for Good Manufacturing Practice. These requirements include compliance with EU cGMP standards when manufacturing medicinal products and active pharmaceutical ingredients, including the manufacture of active pharmaceutical ingredients outside of the EU with the intention to import the active pharmaceutical ingredients into the EU. Finally, the marketing and promotion of authorized drugs, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the EU notably under Directive 2001/83EC, as amended, and EU Member State laws. Direct-to-consumer advertising of prescription medicines is prohibited across the EU.

Regulatory Data Protection in the European Union

In the EU, new chemical entities approved on the basis of a complete independent data package qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity pursuant to Regulation (EC) No 726/2004, as amended, and Directive 2001/83/EC, as amended. Data exclusivity prevents regulatory authorities in the EU from referencing the innovator's data to assess a generic (abbreviated) application for a period of eight years. During the additional two-year period of market exclusivity, a generic marketing authorization application can be submitted, and the innovator's data may be referenced, but no generic medicinal product can be marketed until the expiration of the market exclusivity. The overall ten-year period will be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to authorization, is held to bring a significant clinical benefit in comparison with existing therapies.

Pediatric Exclusivity

Products that are granted a marketing authorization with the results of the pediatric clinical trials conducted in accordance with the PIP are eligible for a six-month extension of the protection under a supplementary protection certificate (if any is in

effect at the time of approval) even where the trial results are negative. In the case of orphan medicinal products, a two-year extension of the orphan market exclusivity may be available. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

Orphan Drug Designation and Exclusivity in the EU

Regulation (EC) No 141/2000 and Regulation (EC) No. 847/2000 provide that a product can be designated an orphan medicinal product by the European Commission if its sponsor can establish: that the product is intended for the diagnosis, prevention or treatment of (1) a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the EU when the application is made, or (2) a life-threatening, seriously debilitating or serious and chronic condition in the EU and that without incentives the medicinal product is unlikely to be developed. For either of these conditions, the sponsor must demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the EU or, if such method exists, the medicinal product will be of significant benefit to those affected by that condition.

Once authorized, orphan medicinal products are entitled to ten years of market exclusivity in all EU Member States and in addition a range of other benefits during the development and regulatory review process including scientific assistance for trial protocols, authorization through the centralized marketing authorization procedure covering all member countries and a reduction or elimination of registration and marketing authorization fees. However, marketing authorization may be granted to a similar medicinal product with the same orphan indication during the ten-year period with the consent of the marketing authorization holder for the original orphan medicinal product or if the manufacturer of the original orphan medicinal product is unable to supply sufficient quantities. Marketing authorization may also be granted to a similar medicinal product with the same orphan indication if the product is safer, more effective or otherwise clinically superior to the original orphan medicinal product. The period of market exclusivity may, in addition, be reduced to six years if it can be demonstrated on the basis of available evidence that the original orphan medicinal product is sufficiently profitable not to justify maintenance of market exclusivity.

Orphan drug exclusivity will not bar approval of another product under certain circumstances, including if a subsequent product with the same drug or biologic for the same indication is shown to be clinically superior to the approved product on the basis of greater efficacy or safety, or providing a major contribution to patient care, or if the company with orphan drug exclusivity is not able to meet market demand. This is the case despite an earlier court opinion holding that the Orphan Drug Act unambiguously required the FDA to recognize orphan exclusivity regardless of a showing of clinical superiority.

Brexit and the Regulatory Framework in the United Kingdom

On June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the EU commonly referred to as Brexit. Following protracted negotiations, the United Kingdom left the EU on January 31, 2020. Under the withdrawal agreement, there is a transitional period until December 31, 2020 (extendable by up to two years). On December 24, 2020, the United Kingdom and the EU entered into a Trade and Cooperation Agreement, which was applied provisionally beginning on January 1, 2021 and which entered into force on May 1, 2021. The agreement sets out certain procedures for approval and recognition of medical products in each jurisdiction. Since the regulatory framework for pharmaceutical products in the United Kingdom covering quality, safety and efficacy of pharmaceutical products, clinical trials, marketing authorization, commercial sales and distribution of pharmaceutical products is derived from EU directives and regulations, Brexit could materially impact the future regulatory regime that applies to products and the approval of product candidates in the United Kingdom.

The Medicines and Healthcare products Regulatory Agency, or MHRA, the UK medicines regulator, has recently published detailed guidance for industry and organizations to follow from January 1, 2021 now that the transition period is over, which will be updated as the UK's regulatory position on medicinal products evolves over time. Moreover, now that the United Kingdom (which comprises Great Britain and Northern Ireland) has left the European Union, Great Britain will no longer be covered by centralized marketing authorizations (under the Northern Irish Protocol, centralized marketing authorizations will continue to be recognized in Northern Ireland). All medicinal products with a current centralized marketing authorization were automatically converted to Great Britain marketing authorizations on January 1, 2021. For a period of two years from January 1, 2021, the MHRA may rely on a decision taken by the European Commission on the approval of a new marketing authorization in the centralized procedure, in order to more quickly grant a new Great Britain marketing authorization. A separate application will, however, still be required.

Furthermore, while the Data Protection Act of 2018 in the United Kingdom that "implements" and complements the European Union's General Data Protection Regulation, or GDPR, has achieved Royal Assent on May 23, 2018 and is now effective in the United Kingdom, it is still unclear whether transfer of data from the EEA to the United Kingdom will remain lawful under GDPR. The Trade and Cooperation Agreement provides for a transitional period during which the United Kingdom will be treated like an European Union member state in relation to processing and transfers of personal data for four

months from January 1, 2021. This may be extended by two further months. After such period, the United Kingdom will be a "third country" under the GDPR unless the European Commission adopts an adequacy decision in respect of transfers of personal data to the United Kingdom. The United Kingdom has already determined that it considers all of the EU 27 and EEA member states to be adequate for the purposes of data protection, ensuring that data flows from the United Kingdom to the EU/EEA remain unaffected.

General Data Protection Regulation

The collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the EU, including personal health data, is subject to the EU General Data Protection Regulation, or GDPR, which became effective on May 25, 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EU, including the U.S., and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenues, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR will be a rigorous and time-intensive process that may increase the cost of doing business or require companies to change their business practices to ensure full compliance.

The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the United States, and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenues, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR is a rigorous and time-intensive process that may increase the cost of doing business or require companies to change their business practices to ensure full compliance. In July 2020, the Court of Justice of the European Union, or the CJEU, invalidated the EU-U.S. Privacy Shield framework, one of the mechanisms used to legitimize the transfer of personal data from the EEA to the United States. The CJEU decision also drew into question the long-term viability of an alternative means of data transfer, the standard contractual clauses, for transfers of personal data from the EEA to the United States. Following the withdrawal of the U.K. from the EU, the U.K. Data Protection Act 2018 applies to the processing of personal data that takes place in the U.K. and includes parallel obligations to those set forth by GDPR.

Pharmaceutical Coverage, Pricing and Reimbursement

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA and other government authorities. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage, and establish adequate reimbursement levels for, the product. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable marketing approvals. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product candidate could reduce physician utilization once the product is approved and have a material adverse effect on sales, results of operations and financial condition. Additionally, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor.

In the EU, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular drug candidate to currently available therapies or so-called health technology assessments, in order to obtain reimbursement or pricing approval. For example, the EU provides options for its member states to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. EU Member States may approve a specific price for a product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other member states allow companies to fix their own prices for products, but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions.

Recently, many countries in the EU have increased the amount of discounts required on pharmaceuticals and these efforts could continue as countries attempt to manage healthcare expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the EU. The downward pressure on health care costs in general, particularly prescription drugs, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various EU Member States, and parallel trade, i.e., arbitrage between low-priced and high-priced member states, can further reduce prices. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any products, if approved in those countries.

Healthcare Law and Regulation

Health care providers and third-party payors play a primary role in the recommendation and prescription of drug products that are granted marketing approval. Arrangements with providers, consultants, third-party payors and customers are subject to broadly applicable fraud and abuse, anti-kickback, false claims laws, patient privacy laws and regulations and other health care laws and regulations that may constrain our business and/or financial arrangements. Restrictions under applicable federal and state health care laws and regulations, include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal health care program such as Medicare and Medicaid;
- the federal civil and criminal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false, fictitious or fraudulent or knowingly making, using or causing to made or used a false record or statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the Foreign Corrupt Practices Act, or FCPA, which prohibits companies and their intermediaries from making, or offering or promising to make improper payments to non-U.S. officials for the purpose of obtaining or retaining business or otherwise seeking favorable treatment; and
- the federal transparency requirements known as the federal Physician Payments Sunshine Act which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to the Centers for Medicare & Medicaid Services, or CMS, within the United States Department of Health and Human Services, or HHS, information related to payments and other transfers of value made by that entity to physicians, other healthcare providers and teaching hospitals, as well as ownership and investment interests held by physicians, other healthcare providers and their immediate family members.

Further, some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures. Additionally, some state and local laws require the registration of pharmaceutical sales representatives in the jurisdiction. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, thus complicating compliance efforts.

Pharmaceutical Insurance Coverage and Healthcare Reform

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated health care costs. Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA and other government authorities. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage and establish adequate reimbursement levels for, the product. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable marketing approvals. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, results of operations and financial condition. Additionally, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor.

The containment of health care costs also has become a priority of federal, state and foreign governments and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on 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 a company's revenue generated from the sale of any approved products. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical and biopharmaceutical products, limiting coverage and reimbursement for drugs and biologics and other medical products, government control and other changes to the health care system in the United States. In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively the ACA. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and will remain in effect through 2031. Pursuant to the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, and subsequent legislation, these Medicare sequester reductions have been suspended through the end of March 2022. From April 2022 through June 2022, a 1% sequester cut will be in effect, with the full 2% cut resuming thereafter. These laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used.

Since enactment of the ACA, there have been, and continue to be, numerous legal challenges and Congressional actions to repeal and replace provisions of the law. For example, with enactment of the Tax Cuts and Jobs Act of 2017, which was signed by President Trump on December 22, 2017, Congress repealed the "individual mandate." The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, became effective in 2019. Further, on December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled that the individual mandate portion of the ACA is an essential and inseverable feature of the ACA, and therefore because the mandate was repealed as part of the Tax Cuts and Jobs Act, the remaining provisions of the ACA are invalid as well. The U.S. Supreme Court heard this case on November 10, 2020 and, on June 17, 2021, dismissed this action after finding that the plaintiffs do not have standing to challenge the

constitutionality of the ACA. Litigation and legislation over the ACA are likely to continue, with unpredictable and uncertain results.

The Trump Administration also took executive actions to undermine or delay implementation of the ACA, including directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. On January 28, 2021, however, President Biden issued a new Executive Order which directs federal agencies to reconsider rules and other policies that limit Americans' access to health care, and consider actions that will protect and strengthen that access. Under this Order, federal agencies are directed to re-examine: policies that undermine protections for people with pre-existing conditions, including complications related to COVID-19; demonstrations and waivers under Medicaid and the ACA that may reduce coverage or undermine the programs, including work requirements; policies that undermine the Health Insurance Marketplace or other markets for health insurance; policies that make it more difficult to enroll in Medicaid and the ACA; and policies that reduce affordability of coverage or financial assistance, including for dependents.

The costs of prescription pharmaceuticals have also been the subject of considerable discussion in the United States. To date, there have been several recent U.S. congressional inquiries and proposed federal and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. To those ends, President Trump issued five executive orders intended to lower the costs of prescription drug products but it is unclear whether, and to what extent, these orders will remain in force under the Biden Administration. Further, on September 24, 2020, the Trump Administration finalized a rulemaking allowing states or certain other non-federal government entities to submit importation program proposals to the FDA for review and approval. Applicants are required to demonstrate that their importation plans pose no additional risk to public health and safety and will result in significant cost savings for consumers. The FDA has issued draft guidance that would allow manufacturers to import their own FDA-approved drugs that are authorized for sale in other countries (multi-market approved products).

At the state level, legislatures are increasingly passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional health care authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular drug candidate to currently available therapies or so-called health technology assessments, in order to obtain reimbursement or pricing approval. For example, the European Union provides options for its member states to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. European Union member states may approve a specific price for a product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other member states allow companies to fix their own prices for products, but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. Recently, many countries in the European Union have increased the amount of discounts required on pharmaceuticals and these efforts could continue as countries attempt to manage healthcare expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the European Union. The downward pressure on health care costs in general, particularly prescription drugs, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states, and parallel trade, i.e., arbitrage between low-priced and high-priced member states, can further reduce prices. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any products, if approved in those countries.

Federal and State Data Privacy Laws

There are multiple privacy and data security laws that may impact our business activities, in the United States and in other countries where we conduct trials or where we may do business in the future. These laws are evolving and may increase both

our obligations and our regulatory risks in the future. In the health care industry generally, under HIPAA, HHS has issued regulations to protect the privacy and security of protected health information, or PHI, used or disclosed by covered entities including certain healthcare providers, health plans and healthcare clearinghouses. HIPAA also regulates standardization of data content, codes and formats used in healthcare transactions and standardization of identifiers for health plans and providers. HIPAA also imposes certain obligations on the business associates of covered entities that obtain protected health information in providing services to or on behalf of covered entities. HIPAA may apply to us in certain circumstances and may also apply to our business partners in ways that may impact our relationships with them. Our clinical trials are regulated by the Common Rule, which also includes specific privacy-related provisions. In addition to federal privacy regulations, there are a number of state laws governing confidentiality and security of health information that may be applicable to our business. In addition to possible federal civil and criminal penalties for HIPAA violations, state attorneys general are authorized to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorney's fees and costs associated with pursuing federal civil actions. In addition, state attorneys general (along with private plaintiffs) have brought civil actions seeking injunctions and damages resulting from alleged violations of HIPAA's privacy and security rules. State attorneys general also have authority to enforce state privacy and security laws. New laws and regulations governing privacy and security may be adopted in the future as well.

At the state level, California has enacted legislation that has been dubbed the first "GDPR-like" law in the United States. Known as the California Consumer Privacy Act, or CCPA, it creates new individual privacy rights for consumers (as that word is broadly defined in the law) and places increased privacy and security obligations on entities handling personal data of consumers or households. The CCPA went into effect on January 1, 2020 and requires covered companies to provide new disclosures to California consumers, provide such consumers new ways to opt-out of certain sales of personal information, and allow for a new cause of action for data breaches. Additionally, effective starting on January 1, 2023, the California Privacy Rights Act, or CPRA, will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. The CCPA and CPRA could impact our business activities depending on how it is interpreted and exemplifies the vulnerability of our business to not only cyber threats but also the evolving regulatory environment related to personal data and individually identifiable health information. These provisions may apply to some of our business activities. In addition, other states, including Virginia and Colorado, already have passed state privacy laws and other states will likely be considering similar laws in the near future.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available under such laws, it is possible that some of our current or future business activities, including certain clinical research, sales and marketing practices and the provision of certain items and services to our customers, could be subject to challenge under one or more of such privacy and data security laws. The heightening compliance environment and the need to build and maintain robust and secure systems to comply with different privacy compliance and/or reporting requirements in multiple jurisdictions could increase the possibility that a healthcare company may fail to comply fully with one or more of these requirements. If our operations are found to be in violation of any of the privacy or data security laws or regulations described above that are applicable to us, or any other laws that apply to us, we may be subject to penalties, including potentially significant criminal, civil and administrative penalties, damages, fines, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements and/or oversight if we become subject to a consent decree or similar 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. To the extent that any product candidates we may develop, once approved, are sold in a foreign country, we may be subject to similar foreign laws.

Competition

Our drug candidates, if approved, will compete with existing and new products being developed by others for treatment of the same indications. Competition in the development of human therapeutics and, in particular, human therapeutics that target signaling pathways to treat cancers, is intense and rapidly evolving. Our competitors include large pharmaceutical and biopharmaceutical companies, as well as specialized biotechnology firms, that are developing cancer therapies in the same indications as we are. Many competitors have substantially greater research, development, manufacturing, marketing, and financial capabilities, than we do. Successful development and commercialization of products depends on the ability to differentiate the benefits of our products (e.g. efficacy, safety, dosing, route of administration, convenience, and cost-effectiveness) over competing drug or biologic therapies.

There are several companies developing drug candidates that target the same molecular targets and signaling pathways, and in some cases the same cancer indications, that are being pursued by us and our collaborators. We believe our primary competitors by molecular target are as follows:

Licensed Programs Under Aurigene Collaboration. We are aware of multiple other companies that are developing IRAK4 inhibitors for oncology indications, including: Emmaus Life Sciences, Inc./Kainos Medicine, Inc. (KM-10544), Kurome Therapeutics (IRAK1/4 asset), Kymera Therapeutics, Inc. (KT-413 and KT-474), and Rigel Pharmaceuticals, Inc. (R289). VISTA (V-domain Ig Suppressor of T-cell Activation) is a novel immuno-oncology target. We are aware that Hummingbird Bioscience Pte Ltd (HMBD-002) and Pierre Fabre SA (W0180) have an active clinical-stage program and multiple other companies have preclinical developments, including: Apexigen Inc. (APX-201), Kineta, Inc. (KVA12.1), PharmAbcine Inc. (PMC-309), Sensei Biotherapeutics, Inc. (SNS-101), and Suzhou Stainwei Biotech Inc. (mAb-5). In addition, there are multiple approved products on the market that inhibit PD1/ PDL1, including Bristol-Myers Squibb Company's Opdivo™, Merck & Co., Inc.'s Keytruda™, Roche's Tecentriq™, Merck & Co., Inc., KGaA/Pfizer Inc.'s Bavencio™, AstraZeneca plc's Imfinzi™, Regeneron Pharmaceuticals, Inc./Sanofi S.A.'s Libtayo™, and a number of drug candidates in various stages of development by Novartis AG, TESARO Inc., and others. We are also aware of multiple other companies developing drugs to target TIM3, including Novartis AG, Incyte Corporation, TESARO, Inc., Bristol-Myers Squibb Company, Eli Lilly and Company, and others.

Licensed Programs Under ImmuNext Collaboration. VISTA (V-domain Ig Suppressor of T-cell Activation) is a novel immuno-oncology target. We are aware that Hummingbird Bioscience Pte Ltd (HMBD-002) and Pierre Fabre SA (W0180) have an active clinical-stage program and multiple other companies have preclinical development programs, including: Apexigen Inc. (APX-201), Kineta, Inc. (KVA12.1), PharmAbcine Inc. (PMC-309), Sensei Biotherapeutics, Inc. (SNS-101), and Suzhou Stainwei Biotech Inc. (mAb-5).

Fimepinostat: We are not aware of other molecules in clinical testing that are designed as one chemical entity to target both HDAC and PI3K. However, there are commercially available drugs that individually target HDAC or PI3K. For example, commercially available HDAC inhibitors include Faridak™ (panobinostat) which is produced by Novartis International AG, Zolinza™ (vorinostat), which is produced by Merck & Co., Istodax™ (romidepsin), which is produced by Bristol-Myers Squibb, Beleodaq™ (belinostat) which is produced by Agrotech Biopharma and Depakine™ (valproate sodium), which is produced by Sanofi. In addition, there are several companies testing novel HDAC 1/2 inhibitors in clinical trials, including among others, Italfarmaco S.p.A. (givinostat), Celleron Therapeutics (CXD101), Xynomic Pharmaceuticals, (abexinostat), 4SC (dominostat and resminostat), Bayer (entinostat), HitGen (HG-146), CrystalGenomics (ivaltinostat), Viracta Therapeutics (nanatinostat), Onolys Biopharma (OBP-801), Onkure (OKI-179), Midatech (panobinostat), Blanver Farmacoquimica (pacrinostat), Recursion Pharmaceuticals (REC-2282, and Mundipharma EDO International (tinomustine). There are multiple companies testing various PI3K inhibitors, both isoform specific and pan-PI3K inhibitors, which are in various stages of clinical development. There are currently four approved isoform specific PI3K inhibitors on the market and one with a PDUFA date in the first quarter of 2021, Zydelig™ (idelalisib), which is marketed by Gilead Sciences, Aliqopa® (copanlisib), which is marketed by Bayer AG, Copiktra™ (duvelisib), which is marketed by Verastem, Oncology, and PIQRAY® (alpelisib), which is marketed by Novartis and umbralisib from TG Therapeutics, which was recently approved by the FDA in February 2021. Other companies developing PI3K inhibitors in clinical trials include Ability Pharmaceuticals (ABTL-0812), Guangzhou BeBetter Medicine (BEBT-908), Piqur (bimiralisib), Boryung (BR-2002), Adlai Nortye (buparlisib), Novartis (datolisib), Beijing Foreland Pharma (FP-208), HEC Pharm (HEC-68498), Shanghai HaiHe Pharmaceutical (HH-CYH33), Jiangsu Hansoh Pharmaceutical (HS-10352), Roche Holding AG's (inavolisib), Menarini (MEN-1611), ArQule (miransertib), Can-Fite (namodenoson), Kazia Therapeutics (paxalisib), Intellikine (serabelisib), Semafore Pharmaceuticals (SF-1126), and Ohara Pharmaceutical (ZSTK-474).

Erivedge. In 2015, Sun Pharmaceuticals Industries Ltd's sonidegib (Odomzo®), a Hedgehog signaling pathway inhibitor indicated for the treatment of adult patients with locally advanced BCC that has recurred following surgery or radiation, or those who are not candidates for surgery or radiation, received regulatory approvals in the United States and European Union. Other commercially available Hedgehog pathway inhibitors include Pfizer Inc.'s glasdegib (Daurismo™). We are aware of several other biotechnology and pharmaceutical companies that have drug development programs relating to compounds that modulate the Hedgehog signaling pathway, including: Exelixis, Inc./Bristol-Myers Squibb Company (BMS-833923 / XL139), PellePharm Inc. (patidegib), and Senhwa Biosciences Inc. (silmitasertib / CX-4945). Furthermore, glasdegib (Daurismo™) is marketed by Pfizer Inc. for the treatment of newly diagnosed adult AML patients for whom intensive chemotherapy is not an option, and, sonidegib (Odomzo™) is marketed by Sun Pharmaceutical, for the treatment of adults with locally advanced BCC.

Many competing companies have financial, marketing and human resource capacities that are substantially greater than our own, which may provide these competitors with significant advantages over us. Others have extensive experience in undertaking clinical trials, in obtaining regulatory approval to market products, in manufacturing products on a large scale and in effectively promoting products to healthcare providers, health plans and consumers which may enhance their competitive position relative to ours. In addition to competing with pharmaceutical and biotechnology companies, the products that we are developing would also compete with those being developed by academic and research institutions, government agencies and other public organizations. Any of these organizations may discover new therapies, seek patent protection or establish collaborative arrangements for products and technologies that compete with our products and technologies.

The technologies underlying the development of human therapeutic products are expected to continue to undergo rapid and significant advancement and unpredictable changes. Accordingly, our technological and commercial success will be based, among other things, on our ability to develop proprietary positions in key scientific areas and efficiently evaluate potential product opportunities.

The timing of a product's introduction may be a major factor in determining eventual commercial success and profitability. Early entry may have important advantages in gaining product acceptance and market share. Accordingly, we believe the relative speed with which we or any current or future collaborator(s) can complete preclinical and clinical testing, obtain regulatory approvals, and supply commercial quantities of a product will have an important impact on our competitive position, both in the U.S. and abroad. Other companies may succeed in developing similar products that are introduced earlier, are more effective, or are produced and marketed more effectively, or at a minimum obtain a portion of the market share. For example, our competitors may discover, characterize and develop important targeted cancer molecules before we do, which could have a material adverse effect on any of our related research programs. If research and development by others renders any of our products obsolete or noncompetitive, then our potential for success and profitability may be adversely affected.

For some of our programs, we rely on, or intend to rely on, strategic collaborators for support in our research programs and for preclinical evaluation and clinical development of our potential products and manufacturing and marketing of any products. Our strategic collaborators may conduct multiple product development efforts within each disease area that is the subject of our strategic collaboration with them. Our strategic collaboration agreements may not restrict the strategic collaborator from pursuing competing internal development efforts. Any of our drug candidates, therefore, may be subject to competition with a drug candidate under development by a strategic collaborator.

Manufacturing and Supply

We do not have our own manufacturing capabilities. We currently rely on collaborators or subcontractors, and we have no plans to develop our own manufacturing capability. Instead, we plan to continue to rely on corporate collaborators or subcontractors to manufacture products. If any of our current or planned collaborators or subcontractors encounters regulatory compliance problems or enforcement actions for their own or a collaborative product, it could have a material adverse effect on our business prospects.

We employ a material sourcing strategy that complies with regulatory requirements for building increasing amounts of quality into the product, beginning with raw materials and following through to packaged drug product for clinical use. Starting materials for the drug substance are typically sourced from qualified suppliers, and their production is conducted under our supervision. Where appropriate, redundant suppliers are added to ensure availability of key materials.

Drug substance and product production, and subsequent packaging, labeling and distribution for all of our development candidates are conducted in the various locations under GMP controls.

Sales and Marketing

We have no sales, marketing or distribution experience or infrastructure. We must build infrastructure related to product sales, marketing and distribution or make arrangements with third parties to perform these services.

Human Capital Resources

As of December 31, 2021, we had 60 employees in total, all of which were full-time employees, of whom 14 hold a Ph.D. or other advanced scientific or medical degree. Of our employees, 41 are currently involved in research and development. None of our employees is a party to a collective bargaining agreement, and we consider our relations with our employees to be good. During the COVID-19 pandemic, we implemented a remote working environment and measures to support the safety of our employees, contractors and consultants and continue to operate under such measures. We plan to return to the office in the future, and plan to continue to offer our employees flexibility to work remotely for a portion of the work week.

We believe that our future success largely depends upon our continued ability to attract and retain highly skilled employees. We offer our employees a comprehensive compensation package. Our well-designed compensation package includes salaries, annual bonuses, equity compensation, retirement savings, life insurance, and premium health and workers' compensation insurance. Our equity compensation plans, pursuant to which we may grant stock options, restricted stock and equity-based awards, are designed to align employees' interests with our stockholders' interests and motivate effective performance which drives company success. We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer.

Segment Reporting

We are engaged solely in the discovery and development of innovative drug candidates for the treatment of human cancers. Accordingly, we have determined that we operate in one operating segment.

Information about our Executive Officers

Our executive officers as of February 24, 2022 are as follows:

Name	Age	Position
James Dentzer	55	President and Chief Executive Officer
Robert Martell, M.D., Ph.D.	59	Head of Research and Development
William Steinkrauss	36	Chief Financial Officer and Chief Administrative Officer

James Dentzer

Mr. Dentzer has served on our board of directors and as our President, Chief Executive Officer, Secretary and Treasurer since September 2018. From March 2018 to September 2018, Mr. Dentzer served as our Chief Operating Officer, Chief Financial Officer, Secretary, and Treasurer. Mr. Dentzer joined the Company in March 2016 as Chief Administrative Officer, Chief Financial Officer, Secretary, and Treasurer. From December 2013 to December 2015, Mr. Dentzer served as Chief Financial Officer of Dicerna Pharmaceuticals, Inc., an RNA interference based biopharmaceutical company. From March 2010 to December 2013, Mr. Dentzer was the Chief Financial Officer of Valeritas, Inc., a commercial-stage medical technology company. From October 2006 to October 2009, Mr. Dentzer was the Chief Financial Officer of Amicus Therapeutics, Inc., a biotechnology company. In prior positions, Mr. Dentzer spent six years as corporate controller of Biogen and six years in various senior financial roles at E.I. du Pont de Nemours and Company in the U.S. and Asia. Mr. Dentzer holds a B.A. in philosophy from Boston College and an M.B.A. from the University of Chicago.

Robert Martell, M.D., Ph.D.

Dr. Martell, M.D., Ph.D. served on our Board of Directors from 2011 to 2018, and as Head of Research and Development from 2018 to present. He is also co-founder of Epi-Cure Pharmaceuticals, a privately held early-stage biotechnology company, and served as its president and member of board of directors from 2016 to 2018. Dr. Martell served as Chief Medical Officer of Tesaro, Inc., a biopharmaceutical company developing Zejula and Varubi from 2012 to 2015; as Chief Medical Officer at MethylGene, a publicly traded biopharmaceutical company focused on cancer therapeutics from 2005 to 2009; as Director of Oncology Global Clinical Research at Bristol-Myers Squibb, a biopharmaceutical company developing Sprycel, Erbitux and Ixempra from 2002 to 2005; and as Associate/Deputy Director at Bayer Corporation Pharmaceutical Division developing Nexavar from 2000 to 2002. In addition, Dr. Martell has held a number of academic positions, including at Tufts Medical Center since 2009, where he has served in various roles including Associate Chief in the Division of Hematology/Oncology, Director of the Neely Center for Clinical Cancer Research, Leader of the Cancer Center's Program in Experimental Therapeutics and Attending Physician; at Yale University School of Medicine as Assistant Clinical Professor of Oncology from 2001 to 2005; and as Assistant Professor at Duke Medical Center from 1998 to 2000. Dr. Martell received a B.A. in chemistry from Kalamazoo College, a Ph.D. in Pharmacology from University of Michigan and an M.D. from Wayne State University. He completed his Internal Medicine internship and residency at Duke University Medical Center, and his Fellowship in Medical Oncology also at Duke.

William Steinkrauss

Mr. Steinkrauss has served as our Chief Financial Officer and Chief Administrative Officer since January 2022. Prior to that, Mr. Steinkrauss served as Chief Financial Officer since September 2019, prior to that as vice president, treasurer and assistant secretary from January 2019 to September 2019, and prior to that served as our corporate controller, senior director of finance and assistant treasurer from August 2016 until January 2019. Mr. Steinkrauss previously served as director of technical accounting and reporting of Ovascience, Inc., a biotechnology company focused on infertility, from June 2015 to August 2016. Prior to that, he was senior manager of technical accounting at Cubist Pharmaceuticals, Inc., a biopharmaceutical company, from November 2012 to May 2015. Prior to joining Cubist Pharmaceuticals, Inc., Mr. Steinkrauss worked within the transaction services and assurance practices at PricewaterhouseCoopers, LLP. Mr. Steinkrauss holds a B.S. in accounting and finance and a M.S. in accounting from Boston College. Mr. Steinkrauss is a certified public accountant.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below in addition to the other information set forth in this Annual Report on Form 10-K, including the Management's Discussion and Analysis of Financial Condition and Results of Operations section and the consolidated financial statements and related notes. These risks, some of which have occurred and any of which may occur in the future, can have a material adverse effect on our business, financial condition, results of operations or the price of our publicly traded securities. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may occur or become material in the future and adversely affect our business, reputation, financial condition, results of operations or the price of our publicly traded securities. Therefore, historical operating results, financial and business performance, events and trends are often not a reliable indicator of future operating results, financial and business performance, events or trends. If any of the following risks occurs, our business, financial condition, and results of operations and future growth prospects could be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL RESULTS AND NEED FOR FINANCING

We have incurred substantial losses, expect to continue to incur substantial losses for the foreseeable future and may never generate significant revenue or achieve profitability.

We have incurred significant annual net operating losses in every year since our inception. We expect to continue to incur significant and increasing net operating losses for at least the next several years. Our net loss was $45.4 million for the year ended December 31, 2021. As of December 31, 2021, we had an accumulated deficit of $1.1 billion. We have not completed the development of any drug candidate on our own. Other than Erivedge®, which is being commercialized and further developed by Genentech and Roche under our June 2003 collaboration with Genentech, we may never have a drug candidate approved for commercialization. We have financed our operations to date primarily through public offerings and private placements of our common stock, other debt financings, and amounts received through various licensing and collaboration agreements. We have devoted substantially all of our financial resources and efforts to research and development and general and administrative expense to support such research and development. Our net losses may fluctuate significantly from quarter to quarter and year to year. Net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital.

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

- continue to develop and conduct clinical trials with respect to drug candidates;
- seek to identify and develop additional drug candidates;
- acquire or in-license other drug candidates or technologies;
- seek regulatory and marketing approvals for our drug candidates that successfully complete clinical trials, if any;
- establish sales, marketing, distribution and other commercial infrastructure in the future to commercialize various drugs for which we may obtain marketing approval, if any;
- require the manufacture of larger quantities of drug candidates for clinical development and, potentially, commercialization;
- maintain, expand, and protect our intellectual property portfolio;
- hire and retain additional personnel, such as clinical, quality control and scientific personnel; and
- add equipment and physical infrastructure as may be required to support our research and development programs.

Our ability to become and remain profitable depends on our ability to generate significant revenue. Our only current source of revenues comprises licensing and royalty revenues that we earn under our collaboration with Genentech related to the development and commercialization of Erivedge. Sales of Erivedge may be adversely impacted by decreases in new prescriptions as a result of a decline in patient medical visits due to the COVID-19 pandemic. In addition, a portion of our royalty and royalty related revenues under our collaboration with Genentech will be paid to TPC Investments I LP and TPC Investments II LP, or the Purchasers, pursuant to the royalty interest purchase agreement we and Curis Royalty entered into with the Purchasers and Lind SA LLC, or Agent, on March 22, 2019, or the Oberland Purchase Agreement.

We do not expect to generate significant revenues other than those related to Erivedge unless and until we are, or any collaborator is, able to obtain marketing approval for, and successfully commercialize, one or more of our drug candidates other than Erivedge. Successful commercialization will require achievement of key milestones, including initiating and successfully completing clinical trials of our drug candidates, obtaining marketing approval for these drug candidates, manufacturing, marketing, and selling those drugs for which we, or any of our collaborators, may obtain marketing approval, satisfying any post marketing requirements and obtaining reimbursement for our drugs from private insurance or government payors. Because

of the uncertainties and risks associated with these activities, we are unable to accurately predict the timing and amount of revenues and whether or when we might achieve profitability. We and any collaborators may never succeed in these activities and, even if we do, or any collaborators do, we may never generate revenues that are large enough for us to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our pipeline of drug candidates, or continue our operations and cause a decline in the value of our common stock.

We will require substantial additional capital, which may be difficult to obtain, and if we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our drug development programs or commercialization efforts.

We will require substantial funds to continue our research and development programs and to fulfill our planned operating goals. Our planned operating and capital requirements currently include the support of our current and future research and development activities for emavusertib, previously CA-4948, and CI-8993 as well as development candidates we have and may continue to license under our collaborations with Aurigene and ImmuNext. We will require substantial additional capital to fund the further development of these programs, as well as to fund our general and administrative costs and expenses. Moreover, our agreements with collaborators impose significant potential financial obligations on us. For example, under our collaboration, license and option agreement with Aurigene, we are required to make milestone and royalty fee payments for preclinical development programs that will be performed by Aurigene, which impose significant potential financial obligations on us. In addition, if we choose to exercise our option under the option and license agreement with ImmuNext, or the ImmuNext Agreement, we will be required to make milestone, royalty, and option fee payments in connection with the development of CI-8993.

Based upon our current operating plan, we believe that our existing cash, cash equivalents and investments of $139.8 million as of December 31, 2021, should enable us to fund our operating expenses and capital expenditure requirements into 2024. We have based this assessment on assumptions that may prove to be wrong, and it is possible that we will not achieve the progress that we expect with these funds because the actual costs and timing of clinical development, regulatory and commercial activities are difficult to predict and are subject to substantial risks and delays, and that we will use our capital resources sooner than we currently expect. This estimate does not reflect any additional expenditures that may result from any further strategic transactions to expand and diversify our product pipeline, including acquisitions of assets, businesses, rights to products, product candidates or technologies or strategic alliances or collaborations that we may pursue.

Our ability to raise additional funds in the future will depend on financial, economic and market conditions, many of which are outside of our control, and we may be unable to raise financing when needed, or on terms favorable to us, or at all. Furthermore, high volatility in the capital markets resulting from the COVID-19 pandemic has had, and could continue to have, a negative impact on the price of our common stock, and could adversely impact our ability to raise additional funds. If we are unable to obtain sufficient funding, we may be forced to delay, reduce in scope or eliminate some of our research and development programs, including related clinical trials and operating expenses, potentially delaying the time to market for, or preventing the marketing of, any of our product candidates. In addition, we may seek to engage in one or more strategic alternatives, such as a strategic partnership with one or more parties, the licensing, sale or divestiture of some of our assets or proprietary technologies or the sale of our company, but there can be no assurance that we would be able to enter into such a transaction or transactions on a timely basis or on terms favorable to us, or at all.

Our failure to raise capital through a financing or strategic alternative as and when needed could adversely affect our business prospects and our ability to continue operations, and would have a negative impact on our financial condition and our ability to pursue our business strategy. If we are unable to raise sufficient capital we would be unable to fund our operations and may be required to evaluate alternatives, which could include dissolving and liquidating our assets or seeking protection under the bankruptcy laws, and a determination to file for bankruptcy could occur at a time that is earlier than when we would otherwise exhaust our cash resources.

In February 2020, we entered into a common stock purchase agreement, or the purchase agreement, with Aspire Capital Fund, LLC, or Aspire Capital, which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $30.0 million of shares of our common stock over the 30-month term of the Purchase Agreement. To date, we have received gross proceeds of $8.4 million from sales of common stock to Aspire Capital. The extent to which we utilize the purchase agreement with Aspire Capital as a source of funding will depend on a number of factors, including the prevailing market price of our common stock, the volume of trading in our common stock and the extent to which we are able to secure funds from other sources. The number of shares that we may sell to Aspire Capital under the purchase agreement on any given day and during the term of the agreement is subject to certain limitations and restrictions. These limits and restrictions include among others, limits on the number of shares we can sell to

Aspire Capital on any one trading day. Accordingly, we may not be able to sell shares under the agreement at prices or amounts that we deem acceptable, and there can be no assurance that we will be able to sell the full remaining $21.6 million of common stock contemplated under the purchase agreement. Additionally, we and Aspire Capital may not effect any sales of shares of our common stock under the purchase agreement during the continuance of an event of default.

In addition, on March 16, 2021, we entered into a sales agreement with Cantor Fitzgerald & Co., or Cantor, and JonesTrading Institutional Services LLC, or JonesTrading, pursuant to which, from time to time, we may offer and sell through Cantor and JonesTrading up to $100.0 million of the common stock registered under our universal shelf registration statement on Form S-3 in one or more "at the market" offerings. To date, we have not made any sales of common stock pursuant to the sales agreement. The extent to which we utilize the sales agreement with Cantor and JonesTrading as a source of funding will depend on a number of factors, including the prevailing market price of our common stock, general market conditions and other restrictions and the extent to which we are able to secure funds from other sources. Accordingly, we may not be able to sell shares under the agreement at prices or amounts that we deem acceptable, and there can be no assurance that we will be able to sell the $100.0 million of common stock contemplated under the sales agreement.

Furthermore, there are a number of factors that may affect our future capital requirements and further accelerate our need for additional working capital, many of which are outside our control, including the following:

- unanticipated costs in our research and development programs;
- the timing and cost of obtaining regulatory approvals for our drug candidates and maintaining compliance with regulatory requirements;
- the timing and amount of option exercise fees, milestone payments, royalties and other payments, including payments due to licensors, including Aurigene and ImmuNext if we exercise our option under the ImmuNext Agreement, for patent rights and technology used in our drug development programs;
- the costs of commercialization activities for any of our drug candidates that receive marketing approval, to the extent such costs are our responsibility, including the costs and timing of establishing drug sales, marketing, distribution and manufacturing capabilities;
- unplanned costs to prepare, file, prosecute, defend and enforce patent claims and other patent-related costs, including litigation costs and technology license fees;
- unexpected losses in our cash investments or an inability to otherwise liquidate our cash investments due to unfavorable conditions in the capital markets;
- impacts resulting from the continuing COVID-19 pandemic and responsive actions relating thereto; and
- our ability to continue as a going concern.

We face risks related to the continuing coronavirus pandemic, COVID-19, which has delayed and may continue to delay our ability to complete our ongoing clinical trials and the enrollment and initiation of future clinical trials, and may disrupt regulatory activities, or have other adverse effects on our business and operations. In addition, the COVID-19 pandemic has caused and may continue to cause substantial disruption in the financial markets and economies, which could result in adverse effects on our business and operations.

The continuing COVID-19 pandemic caused many governments to implement measures to slow the spread of the pandemic through quarantines, strict travel restrictions, heightened border scrutiny, and other measures.

The pandemic and government measures taken in response have had a significant impact, both direct and indirect, on businesses and commerce. While the COVID-19 pandemic has had adverse effects on our business and we expect the pandemic to have an adverse effect on our business, financial conditions and results of operations in the future, we are unable to predict the extent or nature of the future progression of the COVID-19 pandemic or its effects on our business and operations at this time.

We have enrolled, and will seek to enroll, cancer patients in clinical trials at sites located both in the United States and internationally. Many of our clinical trial sites have imposed restrictions as a result of the COVID-19 pandemic, which have had and may continue to have a negative impact on our ability to conduct our clinical trials. We have encountered and may continue to face difficulties recruiting and retaining patients in our ongoing and planned clinical trials to the extent patients are affected by the virus or are fearful of visiting or traveling to our clinical trial sites because of the pandemic. In addition, we do not currently know the duration or to what degree medical facilities, including our clinical trial sites, will continue to be impacted by the pandemic. For example, all of our clinical trial sites for our ongoing Phase 1/2 clinical trial for emavusertib (CA-4948) in patients with non-Hodgkin lymphomas, including those with MYD88 alterations, also known as the TakeAim

Lymphoma study, are at large academic research hospitals that have imposed restrictions on entry which have in some instances, prohibited and in other instances may potentially prohibit in the future, clinical trial monitors and patients from entering the trial sites. As a result, further enrollment in our ongoing TakeAim Lymphoma clinical trial for emavusertib (CA-4948) in patients with non-Hodgkin lymphomas, including those with MYD88 alterations, has been delayed and may continue to be delayed and patients currently enrolled in the trial may cease treatment due to the restrictions described above or fear of visiting or inability to visit our trial sites. As a result, enrollment in this trial has been slower than expected and the timeline of this clinical trial has been delayed and may continue to be delayed. In addition, in July 2020, we commenced enrollment in our Phase 1/2 clinical trial in emavusertib (CA-4948) in patients with relapsed/refractory acute myeloid leukemia and high risk myelodysplastic syndromes, also known as the TakeAim Leukemia. Clinical trial sites for this study have also imposed and may continue to impose restrictions similar to those described above. As a result, we may not be able to enroll this trial on our planned timeline, which would cause a delay in the overall timeline for this trial. Similarly, enrollment in and the overall timeline of our combination study of emavusertib (CA-4948) and ibrutinib, for which we commenced enrollment in February 2021 and our Phase 1 clinical trial for CI-8993, for which we commenced enrollment in September 2020, have been delayed and may continue to be delayed due to the factors discussed above. To the extent clinical trial sites are slowed down or closed to enrollment in our ongoing and planned clinical trials, this could also have a material adverse impact on our clinical trial plans and timelines. These restrictions may also impact our ability to collect patient data in a timely fashion. In addition, we do not know whether and to what extent potential exposure to COVID-19 of patients in our clinical trials could impact the efficacy of emavusertib (CA-4948) or CI-8993. The response to the COVID-19 pandemic may redirect resources of regulators in a way that would adversely impact our ability to progress regulatory approvals. In addition, we may face impediments to regulatory meetings and approvals relating to our clinical trials due to measures intended to limit in-person interactions.

We and our collaborators, third-party contract manufacturers, contract research organizations and clinical sites may experience delays or disruptions in supply and release of product candidates and/or procuring items that are essential for our research and development activities, including, for example, raw materials used in the manufacturing of our product candidates, basic medical and laboratory supplies used in our clinical trials or preclinical studies or animals that are used for preclinical testing, in each case, for which there may be shortages or supply chain disruptions as a result of the pandemic. Shortages and global supply chain disruptions could make it difficult to obtain, or cause us to be delayed in obtaining, some of our product candidates, or materials contained therein, especially when such materials come from facilities located in areas particularly impacted by COVID-19. In addition, any disruptions could impact the supply, manufacturing or distribution of Erivedge, and sales of Erivedge may be negatively impacted by a decrease in new prescriptions as a result of a decline in patient medical visits due to the COVID-19 pandemic, which has had and could continue to have a negative impact on the amount and timing of any royalty revenue we may receive from Genentech related to Erivedge. There is no guarantee that the COVID-19 pandemic, or any potential future outbreak, would not impact our supply chain, which could have a material adverse impact on our clinical trial plans and business operations. In addition, we may be subject to inflationary costs as the continuing COVID-19 pandemic has caused and may continue to cause supply chain disruptions resulting in price increases for goods and services that we rely on.

We also experienced delays in closing down our clinical trial sites related to our fimepinostat and CA-170 trials due to restrictions on non-essential workers imposed at those sites in response to COVID-19, which delayed the winding down of these trials.

Any negative impact that the COVID-19 pandemic has on the ability of our suppliers to provide materials for our product candidates or on recruiting or retaining patients in our clinical trials could cause costly delays to clinical trial activities, which could adversely affect our ability to obtain regulatory approval for and to commercialize our product candidates, increase our operating expenses, and have a material adverse effect on our financial results. Additionally, the pandemic has already caused significant disruptions in the financial markets, and may continue to cause such disruptions, which could impact our ability to raise additional funds and has also impacted, and may continue to impact, the volatility of our stock price and trading in our stock. Moreover, the pandemic has significantly impacted economies worldwide, which could result in adverse effects on our business and operations. We cannot be certain what the overall impact of the COVID-19 pandemic will be on our business and it has had and may continue to have an adverse effect on our business, financial condition, results of operations, and prospects.

In connection with the Oberland Purchase Agreement, we transferred and encumbered certain royalty and royalty related payments on commercial sales of Erivedge, Curis Royalty granted a first priority lien and security interest in all of its assets, including its rights to the Erivedge royalty payments, and we granted the Purchasers a first priority lien and security interest in our equity interest in Curis Royalty. As a result, in the event of a default by us or Curis Royalty we could lose all retained rights to future royalty and royalty related payments, we could be required to repurchase the Purchased Receivables at a price that is a multiple of the payments we have received, and our ability to enter into future arrangements may be inhibited, all of which could have a material adverse effect on our business, financial condition and stock price.

Pursuant to the Oberland Purchase Agreement, the Purchasers acquired the rights to a portion of certain royalty and royalty related payments excluding a portion of non-U.S. royalties retained by Curis Royalty, referred to as the Purchased Receivables, owed by Genentech under our collaboration agreement with Genentech. In connection with entering into the Oberland Purchase Agreement, Curis Royalty and the Agent entered into a security agreement and Curis and the Purchasers entered into a pledge agreement.

Following an event of default under the security agreement entered into between Curis Royalty and the Agent in connection with the transaction, the Agent has the right to stop all allocations of payments that would have otherwise been allocated to Curis Royalty pursuant to the Oberland Purchase Agreement and instead retain all such payments. In addition, the Oberland Purchase Agreement provides that after the occurrence of an event of default by Curis Royalty under the security agreement, as described below, the Purchasers shall have the option, for a period of 180 days, to require Curis Royalty to repurchase the Purchased Receivables at a price, referred to as the Put/Call Price, equal to a percentage, beginning at a low triple digit percentage and increasing over time up to a low-mid triple digit percentage, of the sum of the upfront purchase price and any portion of the milestone payments paid in a lump sum by the Purchasers, if any, minus certain payments previously received by the Purchasers with respect to the Purchased Receivables.

Pursuant to the security agreement, Curis Royalty granted to the Agent a first priority lien and security interest in all of its assets and all real, intangible and personal property, including all of its right, title and interest in and to the Erivedge royalty payments. The security interest secures the obligations of Curis Royalty arising under the Oberland Purchase Agreement, the security agreement or otherwise with respect to the due and prompt payment of (i) an amount equal to the Put/Call Price and (ii) all fees, costs, expenses, indemnities and other payments of Curis Royalty under or in respect of the Oberland Purchase Agreement and the security agreement.

The obligations of Curis Royalty under the Oberland Purchase Agreement may be accelerated upon the occurrence of an event of default under the security agreement (subject to certain cure periods), which events of default include:

- any royalty and royalty related payments to be remitted into a certain Curis Royalty designated account controlled by the Agent pursuant to a control agreement, referred to as the royalty account, into which all royalty and royalty related payments must be paid by Curis or Curis Royalty are not so remitted in accordance with the Oberland Purchase Agreement;
- any representation or warranty made by Curis or Curis Royalty in the Oberland Purchase Agreement or any other transaction document proves to be incorrect or misleading in any material respect when made;
- a default by Curis or Curis Royalty in the performance of affirmative and negative covenants set forth in the Oberland Purchase Agreement or any other transaction document;
- a default by Curis in the performance or observance of its indemnity obligations under the Oberland Purchase Agreement;
- the failure by Genentech to pay material amounts owed under the Genentech collaboration agreement because of an actual breach or default by Curis under the Genentech collaboration agreement;
- the failure of the security agreement to create a valid and perfected first priority security interest in any of the collateral;
- a material breach or default by Curis under our agreement with Curis Royalty pursuant to which we transferred our rights to the royalty revenues under the Genentech collaboration agreement to Curis Royalty;
- the voluntary or involuntary commencement of bankruptcy proceedings by either Curis or Curis Royalty and other insolvency related events;
- any materially adverse effect on the binding nature of any of the Oberland Purchase Agreement, Security Agreement, Pledge Agreement or other transaction documents, the Genentech collaboration agreement or our agreement with Curis Royalty;
- any person shall be designated as an independent director of Curis Royalty other than in accordance with Curis Royalty's limited liability company operating agreement; or
- Curis shall at any time cease to own, of record and beneficially, 100% of the equity interests in Curis Royalty.

Upon the occurrence and continuance of an event of default under the security agreement, the Agent may exercise its rights and remedies under the security agreement with respect to Curis Royalty and to the collateral pledged thereunder,

including, among other things, acceleration of the obligations under the security agreement, the sale or other realization of the collateral and performance of Curis Royalty's obligations under the purchase and sale agreement. Additionally, Curis granted to the Agent a first priority lien and security interest of Curis' equity interest in Curis Royalty pursuant to a pledge agreement. Upon the occurrence and continuance of an event of default under the security agreement, the Agent may exercise its rights and remedies under the pledge agreement with respect to the equity interests, including, among other things, the rights to receive distributions and exercise voting rights with respect to the equity interests and to sell or otherwise realize upon the collateral in satisfaction of the obligations. The exercise by the Agent of the foregoing rights shall be deemed to constitute an exercise by the Purchasers of their put option under the Oberland Purchase Agreement.

If any of the above events of default were to occur, Curis Royalty may not have sufficient funds to pay the Put/Call price and the Agent could foreclose on the secured royalty and royalty related payment stream and/or our equity interests in Curis Royalty. In such an event, we could lose our right to royalty and royalty related payments not transferred to the Purchasers pursuant to the Oberland Purchase Agreement and we could lose our rights in Curis Royalty. In addition, in the event Genentech exercises its set-off rights against royalty payments to Curis Royalty pursuant to our collaboration agreement with Genentech, we may be required to satisfy our royalty-sharing obligations to the Purchasers with amounts from our working capital. The Oberland Purchase Agreement also contains exculpation and indemnification obligations of Curis and Curis Royalty on behalf of the Agent and the Purchasers. Further, the encumbrance of all of Curis Royalty's assets, including the right to royalties from sales of Erivedge, and our equity interests in Curis Royalty pursuant to the security agreement and pledge agreement, respectively, may inhibit us from raising additional funds or entering into other strategic arrangements. Any of these consequences of an event of default could have a material adverse effect on our business, financial condition and stock price.

The amount of royalty revenue we received from sales of Erivedge has been adversely affected by a competing drug, and may further be affected in the future.

Pursuant to the terms of our collaboration agreement with Genentech, our subsidiary Curis Royalty is entitled to receive royalties on net sales of Erivedge that range from 5% to 7.5% based upon global Erivedge sales by Roche and Genentech. The royalty rate applicable to Erivedge may be decreased in certain specified circumstances, including when a competing drug product that binds to the same molecular target as Erivedge is approved by the applicable country's regulatory authority and is being sold in such country by a third-party for use in the same indication as Erivedge, or when there is no issued intellectual property covering Erivedge in a territory in which sales are recorded. During the third quarter of 2015, the FDA and the CHMP approved an additional Hedgehog signaling pathway inhibitor marketed by Sun Pharmaceutical Industries Ltd., or Sun Pharmaceutical, sonidegib (Odomzo®), for the treatment of adults with locally advanced basal cell carcinoma, or BCC.

Sales of sonidegib (Odomzo) were first recorded in the U.S. during the fourth quarter of 2015 and, accordingly, Genentech has reduced royalties on its net sales in the U.S. of Erivedge from 5-7.5% to 3-5.5%. Furthermore, we anticipate that Genentech will reduce by 2% royalties on net sales of Erivedge outside of the United States on a country-by-country basis to the extent that sonidegib is approved by the applicable country's regulatory authority and is being sold in such country. We also believe that sales of sonidegib have, and are likely to continue to, adversely affect sales of Erivedge, including those in the U.S. and ex-U.S. countries, which would adversely affect the resulting revenue we may receive from Genentech. In addition, we may experience a decrease in sales of Erivedge as a result of potential decreases in new prescriptions if patient medical visits decline due to the COVID-19 pandemic. A decrease in sales of Erivedge, or in the royalty rate that we receive for sales of Erivedge could adversely affect our operating results.

If the estimates we make and the assumptions on which we rely in preparing our financial statements prove inaccurate, our actual results may vary significantly.

Our financial statements have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of our assets, liabilities, revenues and expenses, the amounts of charges taken by us, and disclosures related thereto. Such estimates and judgments include the carrying value of our property, the value of equipment and intangible assets, revenue recognition, the value of certain liabilities and stock-based compensation expense. We base our estimates and judgments on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. However, these estimates and judgments, and their underlying assumptions, may change over time. Accordingly, our actual financial results may vary significantly from the estimates contained in our financial statements.

RISKS RELATING TO THE DEVELOPMENT AND COMMERCIALIZATION OF OUR DRUGS

We depend heavily on the success of our most advanced drug candidates. All of our drug candidates are still in early clinical or preclinical development. Preclinical studies and clinical trials of our drug candidates may not be successful. If

we are unable to commercialize our drug candidates or experience significant delays in doing so, our business will be materially harmed.

Our ability to generate drug candidate(s) and/or drug product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of our most advanced drug candidates, including emavusertib (CA-4948) and CI-8993. In March 2020, we announced that although we observed no significant drug-drug interaction in our Phase 1 study of fimepinostat in combination with venetoclax, we did not see an efficacy signal that would warrant continuation of the study. Accordingly, no further patients will be enrolled in this study. While we are currently evaluating potential future studies for fimepinostat, our success depends heavily on our ongoing and future clinical trials of emavusertib (CA-4948) and CI-8993, both of which are in early stage clinical development.

We, and any collaborators, are not permitted to commercialize, market, promote or sell any drug candidate in the U.S. without obtaining marketing approval from the FDA. Foreign regulatory authorities, such as the European Medicines Agency, or EMA, impose similar requirements. We, and any collaborators, must complete extensive preclinical development and clinical trials to demonstrate the safety and efficacy of our drug candidates in humans before we will be able to obtain these approvals.

Clinical testing is expensive, is difficult to design and implement, can take many years to complete and is inherently uncertain as to outcome. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all, particularly given that many of our clinical trial sites are research hospitals that have imposed restrictions on entry and other activity as a result of the COVID-19 pandemic. The clinical development of our drug candidates is susceptible to the risk of failure inherent at any stage of drug development. Moreover, we, or any collaborators, may experience any of a number of possible unforeseen adverse events in connection with clinical trials, many of which are beyond our control, including:

- we, or our collaborators, may fail to demonstrate efficacy in a clinical trial or across a broad population of patients;
- it is possible that even if one or more of our drug candidates has a beneficial effect, that effect will not be detected during clinical evaluation as a result of one or more of a variety of factors, including the size, duration, design, measurements, conduct or analysis of our clinical trials. Conversely, as a result of the same factors, our clinical trials may indicate an apparent positive effect of a drug candidate that is greater than the actual positive effect, if any;
- adverse events or undesirable side effects caused by, or other unexpected properties of, any drug candidates that we may develop could cause us, any collaborators, an institutional review board or regulatory authorities to interrupt, delay or halt clinical trials of one or more of our drug candidates and could result in a more restrictive label or the delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities;
- if any of our drug candidates is associated with adverse events or undesirable side effects or has properties that are unexpected, we, or any collaborators, may need to abandon development or limit development of that drug candidate to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. For example, CI-8993 was originally developed as part of a license and collaboration agreement between ImmuNext and Janssen Biotech, Inc., or Janssen. In 2016, Janssen initiated clinical development of CI-8993 in a Phase 1 Study evaluating safety, pharmacokinetics and pharmacodynamics of ascending doses of CI-8993 in patients with advanced solid tumors. The study enrolled 12 patients, in which one patient experienced dose-limiting side effects related to cytokine release syndrome. Janssen opted to close the study;
- regulators or institutional review boards may not authorize us, any collaborators or our or their investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we, or any collaborators, may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- clinical trials of our drug candidates may produce unfavorable or inconclusive results, including with respect to the safety, tolerability, efficacy, or pharmacodynamic and pharmacokinetic profile of the drug candidate;
- we, or any collaborators, may decide, or regulators may require us or them, to conduct additional clinical trials or abandon drug development programs;
- the number of patients required for clinical trials of our drug candidates may be larger than we, or any collaborators, anticipate, patient enrollment in these clinical trials may be slower than we, or any collaborators, anticipate or participants may drop out of these clinical trials at a higher rate than we, or any collaborators, anticipate;
- our estimates of the patient populations available for study may be higher than actual patient numbers and result in our inability to sufficiently enroll our trials;

- the cost of planned clinical trials of our drug candidates may be greater than we anticipate;
- our third-party contractors or those of any collaborators, including those manufacturing our drug candidates or components or ingredients thereof or conducting clinical trials on our behalf or on behalf of any collaborators, may fail to comply with regulatory requirements or meet their contractual obligations to us or any collaborators in a timely manner or at all;
- patients that enroll in a clinical trial may misrepresent their eligibility to do so or may otherwise not comply with the clinical trial protocol, resulting in the need to drop the patients from the clinical trial, increase the needed enrollment size for the clinical trial or extend the clinical trial's duration;
- the FDA or comparable foreign regulatory authorities may disagree with our, or any collaborators', clinical trial designs or our or their interpretation of data from preclinical studies and clinical trials;
- the FDA or comparable foreign regulatory authorities may fail to approve or subsequently find fault with the manufacturing processes or facilities of third-party manufacturers with which we, or any collaborators, enter into agreements for clinical and commercial supplies;
- the supply or quality of raw materials or manufactured drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient, inadequate or not available at an acceptable cost, or we may experience interruptions in supply;
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient to obtain marketing approval; and
- constraints on our, or any collaborators', ability to conduct or complete clinical trials for our drug candidates due to the COVID-19 pandemic, including slowdowns in patient enrollment, restrictions on patient monitoring at hospital clinical trial sites, closures of third party facilities, and other disruptions to clinical trial activities.

The therapeutic efficacy of our drug candidates is unproven in humans, and we may not be able to successfully develop and commercialize drug candidates pursuant to these programs.

Our drug candidates, including emavusertib (CA-4948), CI-8993, fimepinostat, and CA-170, are novel chemical and biologic entities and their potential benefit as therapeutic cancer drugs is unproven. Our ability to generate revenues from these drug candidates, which we do not expect will occur in the short-term, if ever, will depend heavily on their successful development and commercialization, which is subject to many potential risks. For example, our drug candidates may not prove to be effective inhibitors of the molecular targets they are being designed to act against, and may not demonstrate in patients any or all of the pharmacological benefits that may have been demonstrated in preclinical studies. These drug candidates may interact with human biological systems in unforeseen, ineffective or harmful ways. If the FDA determines that any of our drug candidates are associated with significant side effects or have characteristics that are unexpected, we may need to delay or abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk benefit perspective. Moreover, we may determine after conducting clinical trials or related studies that certain of our drug candidates do not possess the anticipated therapeutic characteristics, and we may decide to abandon or discontinue any one of our clinical studies. For example, in the fourth quarter of 2019, we announced initial data from a clinical study of CA-170 in patients with mesothelioma in conjunction with the Society of Immunotherapy of Cancer conference and based on this data, we decided no further patients will be enrolled in this study. In addition, in March 2020, we announced that although we observed no significant drug-drug interaction in our Phase 1 study of fimepinostat in combination with venetoclax, we did not see an efficacy signal that would warrant continuation of the study. Accordingly, no further patients will be enrolled in this study.

Moreover, many drug candidates that initially showed promise in early stage testing for treating cancer have later been found to cause side effects that prevented further development of the compound or resulted in their removal from the market. As a result of these and other risks described herein that are inherent in the development and commercialization of novel therapeutic agents, we may not successfully maintain third-party licensing or collaboration transactions with respect to, or successfully commercialize, our drug candidates, in which case we will not achieve profitability and the value of our stock may decline.

If we experience delays in the enrollment of patients in our clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials. Patient enrollment is a significant factor in the timing of clinical trials, and is affected by many factors, including:

- the impact of the continuing COVID-19 pandemic;

- the size and nature of the patient population;
- the severity of the disease under investigation;
- the availability of approved therapeutics for the relevant disease;
- the proximity of patients to clinical sites;
- the eligibility criteria and design for the trial;
- efforts to facilitate timely enrollment;
- competing clinical trials; and
- clinicians' and patients' perceptions as to the potential advantages and risks of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating.

In addition, many of our competitors have ongoing clinical trials for drug candidates that could be competitive with our drug candidates. Patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' drug candidates or rely upon treatment with existing therapies that may preclude them from eligibility for our clinical trials.

Our inability, or the inability of any future collaborators, to enroll a sufficient number of patients for our, or their, clinical trials could result in significant delays or may require us or them to abandon one or more clinical trials altogether and may result in increased development costs for our drug candidates, which could cause the value of our stock price to decline.

Results of preclinical studies and early clinical trials may not be predictive of results of future late stage clinical trials, and interim, "top-line," initial, and preliminary data from our clinical trials may change as more patient data become available or as additional analyses are conducted and audit and verification procedures could result in material changes to the final data.

We cannot assure you that we will be able to replicate in human clinical trials the results we observed in animal models. Moreover, the outcome of preclinical studies and early clinical trials may not be predictive of the success of later clinical trials, and interim results of clinical trials do not necessarily predict success in future clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late stage clinical trials after achieving positive results in earlier development, and we could face similar setbacks. The design of a clinical trial can determine whether its results will support approval of a drug and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. In addition, preclinical and clinical data are often susceptible to varying interpretations and analyses. Many companies that believed their drug candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval for the drug candidates. Even if we, or any collaborators, believe that the results of clinical trials for our drug candidates warrant marketing approval, the FDA or comparable foreign regulatory authorities may disagree and may not grant marketing approval of our drug candidates.

In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the dosing regimen and other clinical trial protocols and the rate of dropout among clinical trial participants. If we fail to receive positive results in clinical trials of our drug candidates, the development timeline and regulatory approval and commercialization prospects for our most advanced drug candidates, and, correspondingly, our business and financial prospects would be negatively impacted.

In addition, from time to time, we publish interim, "top-line," initial, or preliminary data from our clinical studies. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Initial, preliminary or "top-line" data also remain subject to audit and verification procedures that may result in the final data being materially different from the data we previously published. As a result, interim, "top-line," initial, and preliminary data should be viewed with caution until the final data are available. Material adverse changes between such data and final published data could significantly harm our business prospects.

We have never obtained marketing approval for a drug candidate and we may be unable to obtain, or may be delayed in obtaining, marketing approval for any of our current drug candidates or any future drug candidates that we, or any future collaborators, may develop.

We have never obtained marketing approval for a drug candidate. It is possible that the FDA may refuse to accept for substantive review any new drug applications, or NDAs, or Biologics Licensing Applications, or BLAs that we submit for our

drug candidates or may conclude after review of our data that our application is insufficient to obtain marketing approval of our drug candidates. If the FDA does not accept or approve our NDAs or BLAs for any of our drug candidates, it may require that we conduct additional clinical trials, preclinical studies or manufacturing validation studies and submit that data before it will reconsider our applications. Depending on the extent of these or any other FDA-required trials or studies, approval of any NDA, BLA or application that we submit may be delayed by several years, or may require us to expend more resources than we have available. It is also possible that additional trials or studies, if performed and completed, may not be considered sufficient by the FDA to approve our NDAs or BLAs. Any delay in obtaining, or an inability to obtain, marketing approvals would prevent us from commercializing our drug candidates or any companion diagnostics, generating revenues and achieving and sustaining profitability. If any of these outcomes occur, we may be forced to abandon our development efforts for our drug candidates, which could significantly harm our business.

Even if any drug candidates that we, or any collaborators, may develop receive marketing approval, we or others may later discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, which could compromise our ability, or that of any collaborators, to market the drug.

It is possible that our clinical trials, or those of any collaborator, may indicate an apparent positive effect of a drug candidate that is greater than the actual positive effect, if any, or alternatively fail to identify undesirable side effects. If, following approval of a drug candidate, we, or others, discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, any of the following adverse events could occur:

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

Any of these events could harm our business and operations, and could negatively impact our stock price.

Even if our drug candidates receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success, in which case we may not generate significant revenues or become profitable.

We have never commercialized a drug, and even if one of our drug candidates is approved by the appropriate regulatory authorities for marketing and sale, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. Physicians are often reluctant to switch their patients from existing therapies even when new and potentially more effective or convenient treatments enter the market. Further, patients often acclimate to the therapy that they are currently taking and do not want to switch unless their physicians recommend switching drugs or they are required to switch therapies due to lack of reimbursement for existing therapies.

Efforts to educate the medical community and third-party payors on the benefits of our drug candidates may require significant resources and may not be successful. If any of our drug candidates is approved but does not achieve an adequate level of market acceptance, we may not generate significant revenues and we may not become profitable. The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of the drug;
- the potential advantages of the drug compared to competitive therapies;
- the prevalence and severity of any side effects;
- whether the drug is designated under physician treatment guidelines as a first-, second- or third-line therapy;
- our ability, or the ability of any future collaborators, to offer the drug for sale at competitive prices;

- the drug's convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try, and of physicians to prescribe, the drug and patient adherence to the drug's dosing regimen once prescribed;
- limitations or warnings, including distribution or use restrictions, contained in the drug's approved labeling;
- the strength of sales, marketing and distribution support;
- changes in the standard of care for the targeted indications for the drug; and
- availability and amount of coverage and reimbursement from government payors, managed care plans and other third-party payors.

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

Because we have limited financial and managerial resources, we focus on research programs and drug candidates that we believe may have the best potential in certain specific indications. As a result, we may delay or forgo pursuit of certain opportunities with our other drug candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our spending on current and future proprietary research and development programs and drug candidates for specific indications may not yield any commercially viable drug candidates. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate. For example, in the fourth quarter of 2019, we announced initial data from a clinical study of CA-170 in patients with mesothelioma in conjunction with the Society of Immunotherapy of Cancer conference. Based on this data, we decided no further patients will be enrolled in the study. In addition, in March 2020, we announced that although we observed no significant drug-drug interaction in our Phase 1 study of fimepinostat in combination with venetoclax, we did not see an efficacy signal that would warrant continuation of the study. Accordingly, no further patients will be enrolled in this study.

We currently have no sales, marketing, or distribution experience and, as such, we must build infrastructure related to product sales, marketing and distribution or make arrangements with third parties to perform these services, and any such third parties may not successfully market or sell any drugs we develop.

We currently have no sales, marketing, or drug distribution experience or capabilities. If we receive required regulatory approvals to commercialize any of our drug candidates, we may plan to rely primarily on sales, marketing and distribution arrangements with third parties, including our collaborative partners. For example, as part of our agreements with Genentech, we have granted Genentech the exclusive rights to distribute drugs resulting from such collaboration, and Genentech is currently commercializing Erivedge. We may have to enter into additional marketing and/or sales arrangements in the future and we may not be able to enter into these additional arrangements on terms that are favorable to us, if at all. In addition, we may have limited or no control over the sales, marketing, and distribution activities of these third parties, and sales through these third parties could be less profitable for us than direct sales. These third-parties could sell competing drugs and may devote insufficient sales efforts or resources to our drugs. Our future revenues will be materially dependent upon the successful efforts of these third parties.

We may seek to independently market and sell drugs that are not already subject to agreements with other parties. If we undertake to perform sales, marketing and distribution functions ourselves, we could face a number of additional risks, including:

- we may not be able to attract and build a significant and skilled marketing staff or sales force;
- the cost of establishing a marketing staff or sales force may not be justifiable in light of the revenues generated by any particular drug; and
- our direct sales and marketing efforts may not be successful.

We face substantial competition, and our competitors may discover, develop or commercialize drugs before or more successfully than we do.

Our drug candidates face competition from existing and new technologies and drugs being developed by biotechnology, medical device, and pharmaceutical companies, as well as universities and other research institutions. For example, there are several companies developing drug candidates that target the same molecular targets that we are targeting or that are testing

drug candidates in the same cancer indications that we are testing. While we are not aware of other molecules in clinical testing that are designed as one chemical entity to inhibit both PI3K and HDAC that targets MYC, there are commercially available drugs that individually target PI3K or HDAC and there are multiple companies testing PI3K or HDAC inhibitors that are in various stages of clinical development.

We are aware of multiple other companies that are developing IRAK4 inhibitors for oncology indications, including Emmaus Life Sciences, Inc./Kainos Medicine, Inc. (KM-10544), Kurome Therapeutics (IRAK1/4 asset), Kymera Therapeutics Inc. (KT-413 and KT-474), and Rigel Pharmaceuticals, Inc. (R289). VISTA (V-domain Ig Suppressor of T-cell Activation) is a novel immuno-oncology target. We are aware that Hummingbird Bioscience Pte Ltd (HMBD-002) and Pierre Fabre SA (W0180) have an active clinical-stage program and multiple other companies have preclinical developments, including Apexigen Inc. (APX-201), Kineta, Inc. (KVA12.1), PharmAbcine Inc. (PMC-309), Sensei Biotherapeutics, Inc. (SNS-101), and Suzhou Stainwei Biotech Inc. (mAb-5). In addition, there are multiple approved products on the market that inhibit PD1/PDL1, including Bristol-Myers Squibb Company's Opdivo™, Merck & Co., Inc.'s Keytruda™, Roche Holding AG's Tecentriq™, Merck & Co., Inc., KGaA / Pfizer Inc.'s Bavencio™, AstraZeneca plc's Imfinzi™, Regeneron Pharmaceuticals, Inc./Sanofi S.A.'s Libtayo™, and a number of drug candidates in various stages of development (by Novartis AG, TESARO Inc., and others). We are also aware of multiple other companies developing drugs to target TIM3, including Novartis AG, Incyte Corporation, TESARO, Inc., Bristol-Myers Squibb Company, Eli Lilly and Company, and others.

We are aware of several companies that have clinical development programs relating to compounds that modulate the Hedgehog signaling pathway and may compete with Erivedge, including: Exelixis, Inc./Bristol-Myers Squibb Company (BMS-833923 / XL139), PellePharm, Inc. (patidegib), and Cyclene Pharmaceuticals Inc./Senhwa Biosciences Inc. (silmitasertib / CX-4945). Furthermore, glasdegib (Daurismo™) is marketed by Pfizer Inc. for the treatment of newly diagnosed adult AML patients for whom intensive chemotherapy is not an option, and, sonidegib (Odomzo™) is marketed by Sun Pharmaceutical, for the treatment of adults with locally advanced BCC. Under the terms of our collaboration agreement with Genentech, our royalty on sales of Erivedge has been reduced and may be further reduced as a result of sales of sonidegib.

Many of our competitors have substantially greater capital resources, research and development staffs and facilities, and more extensive experience than we have. As a result, efforts by other biotechnology, medical device and pharmaceutical companies could render our programs or drugs uneconomical or result in therapies superior to those that we develop alone or with a collaborator. For those programs that we have selected for internal development, we face competition from companies that are more experienced in drug development and commercialization, obtaining regulatory approvals and drug manufacturing. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Other smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. As a result, any of these companies may be more successful in obtaining collaboration agreements or other monetary support, approval and commercialization of their drugs and/or may develop competing drugs more rapidly and/or at a lower cost.

If we are not able to compete effectively, then we may not be able, either alone or with others, to advance the development and commercialization of our drug candidates, which would adversely affect our ability to grow our business and become profitable.

Even if we, or any collaborators, are able to commercialize any drug candidate that we, or they, develop, the drug may become subject to unfavorable pricing regulations, third-party payor reimbursement practices or healthcare reform initiatives, any of which could harm our business.

The commercial success of our drug candidates will depend substantially, both domestically and abroad, on the extent to which the costs of our drug candidates will be paid by third-party payors, including government health care programs and private health insurers. If coverage is not available, or reimbursement is limited, we, or any collaborators, may not be able to successfully commercialize our drug candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us, or any collaborators, to establish or maintain pricing sufficient to realize a sufficient return on our or their investments. In the U.S., no uniform policy of coverage and reimbursement for drugs exists among third-party payors and coverage and reimbursement levels for drugs can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that may require us to provide scientific and clinical support for the use of our drugs to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved drugs. Marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after

marketing or drug licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we, or any future collaborators, might obtain marketing approval for a drug in a particular country, but then be subject to price regulations that delay commercial launch of the drug, possibly for lengthy time periods, which may negatively impact the revenues we are able to generate from the sale of the drug in that country. Adverse pricing limitations may hinder our ability or the ability of any future collaborators to recoup our or their investment in one or more drug candidates, even if our drug candidates obtain marketing approval.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Therefore, our ability, and the ability of any future collaborators, to commercialize successfully any of our drug candidates will depend in part on the extent to which coverage and adequate reimbursement for these drugs and related treatments will be available from third-party payors. Third-party payors decide which medications they will cover and establish reimbursement levels. The healthcare industry is acutely focused on cost containment, both in the U.S. and elsewhere. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications, which could affect our ability or that of any future collaborators to sell our drug candidates profitably. These payors may not view our drugs, if any, as cost-effective, and coverage and reimbursement may not be available to our customers, or those of any future collaborators, or may not be sufficient to allow our drugs, if any, to be marketed on a competitive basis. Cost-control initiatives could cause us, or any future collaborators, to decrease the price we, or they, might establish for drugs, which could result in lower than anticipated drug revenues. If the prices for our drugs, if any, decrease or if governmental and other third-party payors do not provide coverage or adequate reimbursement, our prospects for revenue and profitability will suffer.

There may also be delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the indications for which the drug is approved by the FDA or comparable foreign regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Reimbursement rates may vary, by way of example, according to the use of the drug and the clinical setting in which it is used. Reimbursement rates may also be based on reimbursement levels already set for lower cost drugs or may be incorporated into existing payments for other services.

In addition, increasingly, third-party payors are requiring higher levels of evidence of the benefits and clinical outcomes of new technologies and are challenging the prices charged. Further, the net reimbursement for drug products may be subject to additional reductions if there are changes to laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the U.S. An inability to promptly obtain coverage and adequate payment rates from both government-funded and private payors for any of our drug candidates for which we, or any future collaborator, obtain marketing approval could significantly harm our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

Product liability lawsuits against us or our collaborators could divert our resources, cause us to incur substantial liabilities and limit commercialization of any drugs that we may develop.

We and our collaborators face a risk of product liability claims, which could expose us and them to significant liabilities and costs and prevent or interfere with the development or commercialization of our drug candidates or drugs that we may develop. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we or our collaborators cannot successfully defend ourselves against product liability claims, we or our collaborators may incur substantial liabilities or be required to limit commercialization of our drug candidates or drugs that we may develop. Regardless of their merit or eventual outcome, such liability claims would require us to spend significant time, money and other resources to defend such claims, and could result in decreased demand for our drug candidates or drugs that we may develop, injury to our reputation and significant loss of revenue.

Although we currently have product liability insurance for our clinical trials, this insurance is subject to deductibles and coverage limitations and may not be adequate in scope to protect us in the event of a successful product liability claim.

RISKS RELATING TO OUR DEPENDENCE ON THIRD PARTIES

We are reliant on Genentech and Roche for the successful commercialization of Erivedge. If Genentech and Roche do not successfully commercialize Erivedge for advanced BCC, our future prospects may be substantially harmed.

Our levels of revenue in each period and our near-term prospects substantially depend upon Genentech's ability to successfully continue to commercialize Erivedge for patients with advanced BCC and to demonstrate its superiority over existing therapies and standards of care. The further development and commercialization of Erivedge could be unsuccessful if:

- Erivedge becomes no longer accepted as safe, efficacious, cost-effective and preferable for the treatment of advanced BCC to current therapies in the medical community and by third-party payors;
- Genentech and/or Roche fail to continue to apply the necessary financial resources and expertise to manufacturing, marketing and selling Erivedge for advanced BCC, and to regulatory approvals for this indication outside of the U.S.;
- Genentech and/or Roche do not continue to develop and implement effective marketing, sales and distribution strategies and operations for development and commercialization of Erivedge for advanced BCC;
- Genentech and/or Roche do not continue to develop, validate and maintain a commercially viable manufacturing process for Erivedge that is compliant with current good manufacturing practices;
- Genentech and/or Roche do not successfully obtain third-party reimbursement and generate commercial demand that results in sales of Erivedge for advanced BCC in any geographic areas where requisite approvals have been, or may be, obtained;
- we, Genentech, or Roche encounter third-party patent interference, derivation, inter partes review, post grant review, reexamination or patent infringement claims with respect to Erivedge;
- Genentech and/or Roche do not comply with regulatory and legal requirements applicable to the sale of Erivedge for advanced BCC;
- competing drug products are approved for the same indications as Erivedge, such as is the case with sonidegib;
- new safety risks are identified;
- Erivedge does not demonstrate acceptable safety and efficacy in current or future clinical trials, or otherwise does not meet applicable regulatory standards for approval in indications other than advanced BCC;
- Genentech and/or Roche determine to reprioritize Genentech's commercial or development programs and reduce or terminate Genentech's efforts on the development or commercialization of Erivedge;
- Genentech does not exercise its first right to maintain or defend intellectual property rights associated with Erivedge; or,
- further development of Erivedge is delayed, or sales of Erivedge decrease, due to the impacts of the COVID-19 pandemic.

We depend on third-parties for the research and, as applicable, development and commercialization of certain programs. If one or more of our collaborators fails or delays in developing or, as applicable, commercializing drug candidates based upon our technologies, our business prospects and operating results could suffer and our stock price could decline.

Pursuant to our collaboration with Genentech, we have granted to Genentech exclusive rights to develop and commercialize drugs based upon our Hedgehog signaling pathway technologies. Collaborations involving our drug candidates, including our collaborations with Aurigene, Genentech and ImmuNext, pose the following risks to us:

- Our collaborators each have significant discretion in determining the efforts and resources that they will apply to their respective collaboration with us. If a collaborator fails to allocate sufficient time, attention and resources to our collaboration, the successful development and commercialization of drug candidates under such collaboration is likely to be adversely affected. For example, we are dependent on ImmuNext to conduct certain non-clinical research activities to support our Phase 1 clinical trial of CI-8993.
- Our collaborators may develop and commercialize, either alone or with others, drugs that are similar to or competitive with the drug candidates that are the subject of our respective collaborations. For example, Genentech and Roche are involved in the commercialization of many cancer medicines and are seeking to develop several other cancer drug therapies, and Aurigene has other active cancer-focused discovery programs and has also entered into license agreements with other companies that focus on cancer therapies.
- Our collaborators may change the focus of their development and commercialization efforts or pursue higher-priority programs and there can be no assurance that third parties engaged to develop or commercialize our product candidates or products will succeed in developing or commercializing our products or devote sufficient resources to the development or commercialization of our product candidates or products. In addition, potential competitors may have substantially greater financial and other resources and may be able to expend more funds and effort with respect to competing products than Genentech or other third-parties engaged by us.

- Our collaborators may enter into one or more transactions with third-parties, including a merger, consolidation, reorganization, sale of substantial assets, sale of substantial stock or change of control. Any such transaction could divert the attention of our collaborative partner's management and adversely affect its ability to retain and motivate key personnel who are important to the continued development of the programs under such collaboration. In addition, an acquirer could determine to reprioritize our collaborator's development programs such that our collaborator ceases to diligently pursue the development of our programs, and/or terminates our collaboration.
- Our collaborators may, under specified circumstances, terminate their collaborations with us on short notice and for circumstances outside of our control, which could make it difficult for us to attract new collaborators or adversely affect how we are perceived in the scientific, biotech, pharma and financial communities.
- Our collaborators may utilize our intellectual property rights in such a way as to invite litigation that could jeopardize or invalidate our intellectual property rights, or expose us to potential liability.
- Disputes may arise between collaborators and us regarding ownership of or other rights in the intellectual property generated in the course of the collaborations.
- If any of our collaborators were to breach or terminate its arrangement with us, the development and commercialization of the affected drug candidate or program could be delayed, curtailed or terminated.

We may not be successful in establishing additional strategic collaborations, which could adversely affect our ability to develop and commercialize any drug candidates which we have strategically determined to pursue with a collaborator.

We may seek corporate collaborators or licensees for the further development and commercialization of one or more of our drug candidates in one or more geographic territories, particularly in territories outside of the U.S. We face significant competition in seeking appropriate collaborators and a number of recent business combinations in the biotechnology and pharmaceutical industry may result in a reduced number of potential future collaborators. In addition, collaborations are complex and time-consuming to negotiate and document. We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. Moreover, we may not be successful in our efforts to establish a collaboration or other alternative arrangements because our research and development pipeline may be insufficient, our programs may be deemed to be at too early of a stage of development for collaborative effort and/or third-parties may not view our drug candidates and programs as having the requisite potential to demonstrate safety and efficacy or as sufficiently differentiated compared to existing or emerging treatments. We are also restricted under the terms of certain of our existing collaboration agreements from entering into collaborations regarding or otherwise developing drug candidates that are similar to the drug candidates that are subject to those agreements, such as developing drug candidates that inhibit the same molecular target. In addition, collaboration agreements that we enter into in the future may contain further restrictions on our ability to enter into potential collaborations or to otherwise develop specified drug candidates. Even if we are successful in our efforts to establish new collaborations, the terms that we agree upon may not be favorable to us and such collaboration agreements may not lead to development or commercialization of drug candidates in the most efficient manner, or at all.

Moreover, if we fail to establish and maintain additional collaborations related to drug candidates for which we have determined to pursue a collaborator:

- the development of such drug candidates may be terminated or delayed;
- our cash expenditures related to development of certain of such drug candidates would increase significantly and we may need to seek additional financing;
- we may be required to hire additional employees or otherwise develop additional expertise, such as clinical, regulatory, sales and marketing expertise, for which we have not budgeted;
- we will have to bear all of the risk related to the development of any such drug candidates; and
- our future prospects may be adversely affected and our stock price could decline.

We rely in part on third parties to conduct clinical trials of our internally-developed and in-licensed drug candidates, and if such third-parties perform inadequately, including failing to meet deadlines for the completion of such trials, research or testing, then we may not be able to successfully develop and commercialize drug candidates and grow our business.

We rely heavily on third-parties such as consultants, clinical investigators, contract research organizations and other similar entities to complete certain aspects of our preclinical testing and clinical trials and provide services in connection with

such clinical trials, and expect to continue to do so for the foreseeable future. Despite having contractual remedies available to us under our agreements with such contractors, we cannot control whether or not they devote sufficient time, skill and resources to our ongoing development programs. These third parties have been and may continue to be impacted by the COVID-19 pandemic or government measures taken in response to the pandemic in ways that negatively impact their ability to fulfill their contractual obligations to us in connection with our clinical trials. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. These third parties may not complete activities on schedule, or at all, or may not conduct our clinical trials in accordance with the established clinical trial protocol or design. In addition, the FDA and its foreign equivalents require us to comply with certain standards, referred to as "good clinical practices," and applicable regulatory requirements, for conducting, recording and reporting the results of clinical trials. These requirements assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Our reliance on third-parties does not relieve us of these responsibilities and requirements. If any of our third-party contractors do not comply with good clinical practices or other applicable regulatory requirements, we may not be able to use the data and reported results from the applicable trial. Any failure by a third-party to conduct our clinical trials as planned or in accordance with regulatory requirements could delay or otherwise adversely affect our efforts to obtain regulatory approvals for and commercialize our drug candidates.

We depend on third parties to produce our drug candidates, and if these third parties do not successfully formulate or manufacture these drug candidates, our business could be harmed.

In order to continue to develop drug candidates, apply for regulatory approvals, and commercialize drugs, we or any collaborators must be able to manufacture drug candidates in adequate clinical and commercial quantities, in compliance with regulatory requirements, including those related to quality control and quality assurance, at acceptable costs and in a timely manner. The manufacture of our drug candidates may be complex, difficult to accomplish and difficult to scale-up when large-scale production is required. Manufacture may be subject to delays, inefficiencies and low yields of quality drugs. The cost of manufacturing some of our drug candidates may make them prohibitively expensive.

To the extent that we or any collaborators seek to enter into manufacturing arrangements with third parties, we and such collaborators will depend upon these third parties to perform their obligations in a timely and effective manner and in accordance with government regulations. We may be unable to establish any agreements with contract manufacturers or to do so on acceptable terms. Contract manufacturers may breach their manufacturing agreements because of factors beyond our and our collaborators' control, including as a result of the COVID-19 pandemic or government measures taken in response to the pandemic, or may terminate or fail to renew a manufacturing agreement based on their own business priorities, becoming costly and/or inconvenient for us and our collaborators. Even if we are able to establish agreements with contract manufacturers, reliance on contract manufacturers entails additional risks, including:

- manufacturing delays if our third-party contractors give greater priority to the supply of other products over our product candidates or otherwise do not satisfactorily perform according to the terms of the agreements between us and them, or if unforeseen events in the manufacturing process arise;
- the failure of third-party contractors to comply with applicable regulatory requirements;
- the possible mislabeling of clinical supplies, potentially resulting in the wrong dose amounts being supplied or active drug or placebo not being properly identified;
- the possibility of clinical supplies not being delivered to clinical sites on time, leading to clinical trial interruptions, or of drug supplies not being distributed to commercial vendors in a timely manner, resulting in lost sales; and
- the possible misappropriation of our proprietary information, including our trade secrets and know-how.

Any manufacturing problem, the loss of a contract manufacturer or any loss of storage could be disruptive to our operations, delay our clinical trials and, if our products are approved for sale, result in lost sales.

Any contract manufacturers with whom we or our collaborators enter into manufacturing arrangements will be subject to ongoing periodic, unannounced inspection by the FDA and state and foreign agencies or their designees to ensure strict compliance with current good manufacturing practices and other governmental regulations and corresponding foreign standards. Any failure by contract manufacturers, collaborators, or us to comply with applicable regulations could result in sanctions being imposed, including fines, injunctions, civil penalties, denial by regulatory authorities of marketing approval for drug candidates, delays, suspension or withdrawal of approvals, imposition of clinical holds, seizures or recalls of drug candidates, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our business. If we or a collaborator need to change manufacturers, the FDA and corresponding foreign regulatory agencies must approve any new manufacturers in advance. This would involve testing and pre-approval inspections to ensure compliance with FDA and foreign regulations and standards.

If third party manufacturers fail to perform their obligations, our competitive position and ability to generate revenue may be adversely affected in a number of ways, including;

- we, and any collaborators, may not be able to initiate or continue certain preclinical and/or clinical trials of our drug candidates under development;
- we, and any collaborators, may be delayed in submitting applications for regulatory approvals for our drug candidates; and
- we, and any collaborators, may not be able to meet commercial demand for any approved drug products.

Because we rely on a limited number of suppliers for the raw materials used in our drug candidates, any delay, shortage or interruption in the supply of such raw materials or contamination in our manufacturing process could lead to delays in the manufacture and supply of our drug candidates.

We rely on third-parties to supply certain raw materials necessary to produce our drug candidates for preclinical studies and clinical trials. There are a small number of suppliers for certain raw materials that we use to manufacture our drug candidates. We purchase these materials from our suppliers on a purchase order basis and do not have long-term supply agreements in place, which exposes us to a variety of risks, including a potential inability to obtain critical materials and reduced control over production costs, delivery schedules, reliability and quality. Any unanticipated disruption to our contract manufacturing caused by problems at suppliers could delay shipment of our product candidates, increase our cost of goods sold and result in lost sales with respect to any approved products. Any significant delay in the supply of raw materials for our drug candidates for a preclinical study or an ongoing clinical trial due to the need to replace a third-party supplier could considerably delay completion of certain preclinical studies and/or clinical trials. Moreover, if we are unable to purchase sufficient raw materials after regulatory approval for our drug candidates, the commercial launch of our drug candidates could be delayed, or there could be a supply shortage, each of which would impair our ability to generate revenues from their sale.

In addition, a material shortage, contamination, recall or restriction on the use of substances in the manufacture of our drug candidates, or the failure of any of our key suppliers to deliver necessary components required for the manufacture of our drug candidates, could adversely impact or disrupt the commercial manufacture or the production of clinical material, which could materially and adversely affect our development timelines and our business, financial condition, results of operations, and future prospects.

RISKS RELATING TO EMPLOYEE MATTERS AND MANAGING GROWTH

If we are not able to attract and retain key management and scientific personnel and advisors, we may not successfully develop our drug candidates or achieve our other business objectives.

We depend upon our senior management team. The loss of the service of any of the key members of our senior management may significantly delay or prevent the achievement of drug development and other business objectives. Our officers all serve pursuant to “at will” employment arrangements and can terminate their employment with us at any time. We do not maintain “key person” insurance for any of our executives or other employees. In the future, we may be dependent on other members of our management, scientific and development team.

Our ability to compete in the biotechnology and pharmaceuticals industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. Our industry has experienced a high rate of turnover of management personnel in recent years. If we lose one or more of our executive officers or other key employees, our ability to successfully implement our business strategy could be seriously harmed. Furthermore, replacing executive officers or other key employees may be difficult and take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, market and commercialize drugs successfully. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate additional key employees on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies, universities and research institutions for similarly qualified personnel.

We rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by other entities and may have commitments under consulting or advisory contracts with those entities that may limit their availability to us. If we are unable to continue to attract and retain highly qualified personnel, our ability to develop and commercialize our drug candidates will be limited.

We may seek to acquire complementary businesses and technologies or otherwise seek to expand our operations and grow our business, which may divert management resources and adversely affect our financial condition and operating results.

We may seek to expand our operations, including through internal growth and/or the acquisition of businesses and technologies that we believe are a strategic complement to our business model. We may not be able to identify suitable acquisition candidates or expansion strategies and successfully complete such acquisitions or successfully execute any such other expansion strategies. We may never realize the anticipated benefits of any efforts to expand our business. Furthermore, the expansion of our business, either through internal growth or through acquisitions, poses significant risks to our existing operations, financial condition and operating results, including:

- a diversion of management attention from our existing operations;
- increased operating complexity of our business, requiring greater personnel and resources;
- significant additional cash expenditures to expand our operations and acquire and integrate new businesses and technologies;
- unanticipated expenses and potential delays related to integration of the operations, technology and other resources of any acquired companies;
- uncertainty related to the value, benefits or legitimacy of intellectual property or technologies acquired;
- retaining and assimilating key personnel and the potential impairment of relationships with our employees;
- incurrence of debt, other liabilities and contingent liabilities, including potentially unknown contingent liabilities; and
- dilutive stock issuances.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY

We may not be able to obtain and maintain patent protection for our technologies and drugs, our licensors may not be able to obtain and maintain patent protection for the technology or drugs that we license from them, and the patent protection we or they do obtain may not be sufficient to stop our competitors from using similar technology.

The long-term success of our business depends in significant part on our ability to:

- obtain patents to protect our technologies and discoveries;
- protect trade secrets from disclosure to competitors;
- operate without infringing upon the proprietary rights of others; and
- prevent others from infringing on our proprietary rights.

The patent positions of pharmaceutical and life science companies, including ours, are generally uncertain and involve complex legal, scientific and factual questions. The laws, procedures and standards that the U.S. Patent and Trademark Office and various foreign intellectual property offices use to grant and maintain patents, and the standards that courts use to interpret patents, are not always applied predictably or uniformly and have changed in significant ways and are expected to continue to change. In addition, the laws of foreign countries may not protect our rights to the same extent or in the same manner as the laws of the U.S. For example, European patent law restricts the patentability of methods of treatment of the human body more than U.S. law does. Consequently, the level of protection, if any, that will be obtained and provided by our patents if we attempt to enforce them, and they are challenged, is uncertain.

Patents may not issue from any of the patent applications that we own or license. If patents do issue, the type and extent of patent claims issued to us may not be sufficient to protect our technology from exploitation by our competitors. Our patents also may not afford us protection against competitors with similar technology. Assuming the other requirements for patentability are met, currently, the first to file a patent application is generally entitled to the patent. Prior to March 16, 2013, in the U.S., patent applications were subject to a “first to invent” rule of law. Applications filed on or after March 16, 2013 (with the exception of certain applications claiming priority to applications filed prior to March 16, 2013, such as continuations and divisionals) are subject to new laws including a “first to file” rule of law. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Additionally, how the U.S. Patent & Trademark Office and U.S. courts will interpret the new laws remains significantly uncertain at this time. We cannot be certain that any existing or future application will be subject to the “first to file” or “first to invent” rule of law, that we were the first to make the inventions

claimed in our existing patents or pending patent applications subject to the prior laws, or that we were the first to file for patent protection of such inventions subject to the new laws.

We may not have rights under patents that may cover one or more of our drug candidates. Patents of others may overlap with our own patents regarding one or more of our drug candidates. In some cases, these patents may be owned or controlled by third-party competitors and may prevent or impair our ability to exploit our technology. As a result, we or our current or potential future collaborative partners may be required to obtain licenses under third-party patents to develop and commercialize some of our drug candidates. If we are unable to secure licenses to such patented technology on acceptable terms, we or our collaborative partners may not be able to develop and commercialize the affected drug candidate or candidates.

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. Moreover, in some circumstances, we do not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology or drugs that we license from third-parties and are reliant on our licensors. For example, while under our collaboration with ImmuNext we have the right to review and comment on patent filing, prosecution, maintenance and other patent matters, we do not control the patent process until we have exercised our option to obtain an exclusive license. If we do not control the filing, prosecution of certain patent rights, we cannot be certain that these patents and applications will be prosecuted and enforced in a manner consistent with the best interests of our business.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in courts or patent offices in the U.S. and abroad. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and drugs, or limit the duration of the patent protection of our technology and drugs. Given the amount of time required for the development, testing, and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing drugs similar or identical to ours.

We may become involved in expensive and unpredictable patent litigation or other contentious intellectual property proceedings, which could result in liability for damages or require us to cease our development and commercialization efforts.

There are substantial threats of litigation and other adversarial opposition proceedings regarding patent and other intellectual property rights in the pharmaceutical and life science industries. We may become a party to patent litigation or other proceedings regarding intellectual property rights.

Situations that may give rise to patent litigation or other disputes over the use of our intellectual property include:

- initiation of litigation or other proceedings against third-parties to enforce our patent rights, to seek to invalidate the patents held by third-parties or to obtain a judgment that our drug candidates do not infringe such third-parties' patents;
- participation in interference and/or derivation proceedings to determine the priority of invention if our competitors file U.S. patent applications that claim technology also claimed by us;
- initiation of opposition, reexamination, post grant review or inter partes review proceedings by third-parties that seek to limit or eliminate the scope of our patent protection;
- initiation of litigation by third-parties claiming that our processes or drug candidates or the intended use of our drug candidates infringes their patent or other intellectual property rights; and
- initiation of litigation by us or third-parties seeking to enforce contract rights relating to intellectual property that may be important to our business.

Any patent litigation or other proceeding, even if resolved favorably, will likely require us to incur substantial costs and be a distraction to management. Some of our competitors may be able to sustain the cost of such litigation or other proceedings more effectively than we can because of their substantially greater financial resources. In addition, our collaborators and licensors may have rights to file and prosecute claims of infringement of certain of our intellectual property, and we are reliant on them. If a patent litigation or other intellectual property proceeding is resolved unfavorably, we or any collaborative partners may be enjoined from manufacturing or selling our future drugs without a license from the other party and be held liable for significant damages. Moreover, we may not be able to obtain required licenses on commercially acceptable terms or any terms at all. In addition, we could be held liable for lost profits if we are found to have infringed a valid patent, or liable for treble damages if we are found to have willfully infringed a valid patent. Litigation results are highly unpredictable, and we or any

collaborative partner may not prevail in any patent litigation or other proceeding in which we may become involved. Any changes in, or unexpected interpretations of, the patent laws may adversely affect our ability to enforce our patent position. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could damage our ability to compete in the marketplace.

We face risks relating to the enforcement of our intellectual property rights in China and India that could adversely affect our business.

We have conducted chemical development work through contract research agreements with contract research organizations, or CROs, in China and India. We seek to protect our intellectual property rights under this arrangement through, among other things, non-disclosure and assignment of invention covenants. Enforcement of intellectual property rights and confidentiality protections in China may not be as effective as in the U.S. or other countries. Policing unauthorized use of proprietary technology is difficult and expensive, and we might need to resort to litigation to enforce or defend patents issued to us or to determine the enforceability, scope and validity of our proprietary rights or those of others. The experience and capabilities of Chinese courts in handling intellectual property litigation vary, and outcomes are unpredictable. Further, such litigation may require significant expenditure of cash and management efforts and could harm our business, financial condition and results of operations. An adverse determination in any such litigation will impair our intellectual property rights and may harm our business, prospects and reputation.

In addition, we collaborate with Aurigene, an Indian company, in the development of new therapeutic compounds. Some or all of the intellectual property arising from this collaboration may be developed by Aurigene's employees, consultants, and third-party contractors, and we have exercised our option right under the collaboration agreement to obtain exclusive licenses to Aurigene's rights in this intellectual property. Accordingly, our rights depend in part on Aurigene's contracts with its employees and contractors and Aurigene's ability to protect its trade secrets and other confidential information in India, both before and after we exercise our option to obtain exclusive license rights on a program-by-program basis. Enforcement of intellectual property rights and confidentiality protections in India may not be as effective as in the U.S. or other countries. Policing unauthorized use of proprietary technology is difficult and expensive, and we or Aurigene might need to resort to litigation to protect our trade secrets and confidential information. The experience and capabilities of Indian courts in handling intellectual property litigation vary, and outcomes are unpredictable. Further, such litigation may require significant expenditure of cash and management efforts and could harm our business, financial condition and results of operations. An adverse determination in any such litigation would impair our intellectual property rights and may harm our business, prospects and reputation.

If we are unable to keep our trade secrets confidential, our technology and proprietary information may be used by competitors.

We rely heavily on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect this information through confidentiality and intellectual property license or assignment provisions in agreements with our employees, consultants and other third-party contractors, including our contract research agreements with CROs in China and India, as well as through other security measures. Similarly, our agreements with Genentech, Aurigene and ImmuNext require each collaborator to enter into such agreements with its employees, consultants, and other third-party contractors. The confidentiality and intellectual property provisions of our agreements and security measures may be breached, and we or they may not have adequate remedies for any such breach. In addition, our trade secrets may otherwise become known or be independently developed by competitors.

We have agreements under which we license rights to technology from third-parties, and we could lose license rights to intellectual property that are important to our business under certain circumstances.

We are party to agreements that provide us licenses of intellectual property or sharing of rights to intellectual property that is important to our business, and we may enter into additional agreements in the future that provide us licenses to valuable technology. These licenses, including our agreements with Aurigene and ImmuNext, impose, and future licenses may impose, various commercialization, milestone and other obligations on us, including the obligation to terminate our use of licensed subject matter under certain contingencies. If a licensor becomes entitled to, and exercises, termination rights under a license, we would lose valuable rights and could lose our ability to develop our drugs. We may need to license other intellectual property to commercialize future drugs. Our business may suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license or fail to prevent infringement by third-parties, if the licensed patents or other rights are found to be invalid, or if we are unable to enter into necessary licenses on acceptable terms. In addition, during the option period under our agreement with ImmuNext, we are obligated to assign to ImmuNext all rights to inventions made by Curis alone or jointly with ImmuNext in conducting clinical and non-clinical activities under the agreement during such period and any related patent rights. In the event we exercise our option under the agreement, such rights would be assigned to Curis, in the case of inventions made by Curis alone, or joint ownership to Curis and ImmuNext, in the case of inventions made jointly by

Curis and ImmuNext, upon the option exercise date. In the event we do not exercise our option under the agreement with ImmuNext, we will lose all rights to any inventions made by Curis alone or jointly with ImmuNext in conducting clinical and non-clinical activities under the agreement upon expiration of the option period.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our current and potential competitors. Although no claims against us are currently pending, we may be subject to claims that such employees, or as a result, we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

RISKS RELATING TO REGULATORY APPROVAL AND MARKETING OF OUR PRODUCT CANDIDATES AND OTHER LEGAL COMPLIANCE MATTERS

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

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

The process of obtaining marketing approvals, both in the United States and abroad, is lengthy, expensive and uncertain. It may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information, including manufacturing information, to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. The FDA or other regulatory authorities may determine that our product candidates are not safe and effective, only moderately effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use.

In addition, changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we, or any future collaborators, ultimately obtain may be limited or subject to restrictions or post approval commitments that render the approved product not commercially viable.

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

Failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad. Any approval we may be granted for our product candidates in the U.S. would not assure approval of our drug candidates in foreign jurisdictions and any of our product candidates that may be approved for marketing in a foreign jurisdiction will be subject to risk associated with foreign operations.

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

In many countries outside the United States, a product candidate must also be approved for reimbursement before it can be sold in that country. In some cases, the price that we intend to charge for our products, if approved, is also subject to approval. Obtaining non-U.S. regulatory approvals and compliance with non-U.S. regulatory requirements could result in significant delays, difficulties and costs for us and any future collaborators and could delay or prevent the introduction of our product candidates in certain countries. In addition, if we or any future collaborators fail to obtain the non-U.S. approvals required to market our product candidates outside the United States or if we or any future collaborators fail to comply with applicable non-U.S. regulatory requirements, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business, financial condition, results of operations and prospects may be adversely affected.

Additionally, on June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the European Union, commonly referred to as Brexit. Following protracted negotiations, the United Kingdom left the European Union on January 31, 2020 and a transition period to December 31, 2020, was established to allow the United Kingdom and the European Union to negotiate the United Kingdom's withdrawal. As a result, effective January 1, 2021, the United Kingdom is no longer part of the European Single Market and European Union Customs Union. A co-operation agreement was signed between the United Kingdom and the European Union in December 2020, which was applied provisionally beginning in January 1, 2021 and entered into force on May 1, 2021. The agreement addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. As both parties continue to work on the rules for implementation, significant political and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal.

Since the regulatory framework for pharmaceutical products in the United Kingdom covering the quality, safety, and efficacy of pharmaceutical products, clinical trials, marketing authorization, commercial sales, and distribution of pharmaceutical products is derived from European Union directives and regulations, the consequences of Brexit and the impact the future regulatory regime that applies to products and the approval of product candidates in the United Kingdom remains unclear. As of January 1, 2021, the Medicines and Healthcare products Regulatory Agency, or MHRA, became responsible for supervising medicines and medical devices in Great Britain, comprising England, Scotland and Wales under domestic law, whereas Northern Ireland will continue to be subject to European Union rules under the Northern Ireland Protocol. The MHRA will rely on the Human Medicines Regulations 2012 (SI 2012/1916) (as amended), or the HMR, as the basis for regulating medicines. The HMR has incorporated into the domestic law of the body of European Union law instruments governing medicinal products that existed prior to the United Kingdom's withdrawal from the European Union. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, may force us to restrict or delay efforts to seek regulatory approval in the United Kingdom for our product candidates, which could significantly and materially harm our business.

We expect that we will be subject to additional risks in commercializing any of our product candidates that receive marketing approval outside the United States, including tariffs, trade barriers and regulatory requirements; economic weakness, including inflation, or political instability in particular foreign economies and markets; compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country; and workforce uncertainty in countries where labor unrest is more common than in the United States.

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

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a product intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States.

Generally, a product with orphan drug designation only becomes entitled to orphan drug exclusivity if it receives the first marketing approval for the indication for which it has such designation, in which case the FDA or the EMA will be precluded from approving another marketing application for the same product for that indication for the applicable exclusivity period. The applicable exclusivity period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a product no longer meets the criteria for orphan drug designation or if the product is sufficiently profitable so that market exclusivity is no longer justified.

We or any future collaborators may seek orphan drug designations for our product candidates and may be unable to obtain such designations. Even if we do secure such designations and orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different products can be approved for the same condition. Further, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later product is clinically superior in that it is shown to be safer, to be more effective or to make a major contribution to patient care. Finally, orphan drug exclusivity may be lost if the FDA or the EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition.

The FDA may further reevaluate the Orphan Drug Act and its regulations and policies. This may be particularly true in light of a decision from the Court of Appeals for the 11th Circuit in September 2021 finding that, for the purpose of determining the scope of exclusivity, the term "same disease or condition" means the designated "rare disease or condition" and could not be interpreted by the agency to mean the "indication or use." Thus, the court concluded, orphan drug exclusivity applies to the entire designated disease or condition rather than the "indication or use." We do not know if, when, or how the FDA may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and policies, our business could be adversely impacted.

Any product candidate for which we or our collaborators obtain marketing approval is subject to ongoing regulation and could be subject to restrictions or withdrawal from the market, and we may be subject to substantial penalties if we fail to comply with regulatory requirements, when and if any of our product candidates are approved.

Any product candidate for which we or our collaborators obtain marketing approval will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to quality control and manufacturing, quality assurance and corresponding maintenance of records and documents, and requirements regarding the distribution of samples to physicians and recordkeeping. In addition, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the medicine, including the requirement to implement a risk evaluation and mitigation strategy. Accordingly, if we receive marketing approval for one or more of our product candidates, we will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control. If we fail to comply with these requirements, we could have the marketing approvals for our products withdrawn by regulatory authorities and our ability to market any products could be limited, which could adversely affect our ability to achieve or sustain profitability.

We and our collaborators must also comply with requirements concerning advertising and promotion for any of our product candidates for which we obtain marketing approval. Promotional communications with respect to prescription products are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labeling. Thus, we will not be able to promote any products we develop for indications or uses for which they are not approved. The FDA and other agencies, including the Department of Justice, or the DOJ, closely regulate and monitor the post-approval marketing and promotion of products to ensure that they are marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. In September 2021, the FDA published final regulations which describe the types of evidence that the agency will consider in determining the intended use of a drug or biologic. Violations of the Federal Food, Drug, and Cosmetic Act and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription products may lead to investigations and enforcement actions alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws.

Failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on distribution or use of a product;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- damage to relationships with collaborators;
- unfavorable press coverage and damage to our reputation;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure;
- injunctions or the imposition of civil or criminal penalties; and
- litigation involving patients using our products.

Non-compliance with EU requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with the EU's requirements regarding the protection of personal information can also lead to significant penalties and sanctions. Further, the marketing and promotion of authorized drugs, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the EU notably under Directive 2001/83EC, as amended, and are also subject to EU Member State laws. Direct-to-consumer advertising of prescription medicines is prohibited across the EU.

Accordingly, assuming we, or our collaborators, receive marketing approval for one or more of our product candidates, we, and our collaborators, and our and their contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control. If we, and our collaborators, are not able to comply with post-approval regulatory requirements, our or our collaborators' ability to market any future products could be limited, which could adversely affect our ability to achieve or sustain profitability. Further, the cost of compliance with post-approval regulations may have a negative effect on our operating results and financial condition.

We may seek certain designations for our product candidates, including Breakthrough Therapy and Fast Track designations, in the US, and PRIME Designation in the EU, but we might not receive such designations, and even if we do, such designations may not lead to a faster development or regulatory review or approval process.

We may seek certain designations for one or more of our product candidates that could expedite review and approval by the FDA. A Breakthrough Therapy product is defined as a product that is intended, alone or in combination with one or more other products, to treat a serious condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For product candidates that have been designated as Breakthrough Therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Products designated as Breakthrough Therapies by the FDA may also be eligible for priority review if supported by clinical data at the time the NDA is submitted to the FDA.

The FDA may also designate a product for Fast Track review if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product's application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted

by the sponsor, that a Fast Track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees.

Designation as a Breakthrough Therapy or Fast Track is within the discretion of the FDA. Accordingly, even if we believe that one of our product candidates meets the criteria for these designations, the FDA may disagree and instead determine not to make such designation. Further, even if we receive Breakthrough Therapy or Fast Track designation, the receipt of such designation for a product candidate may not result in a faster development or regulatory review or approval process compared to products considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualifies for one of these designations, the FDA may later decide that the product candidates no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

In the EU, we may seek PRIME designation for some of our product candidates in the future. PRIME is a voluntary program aimed at enhancing the EMA's role to reinforce scientific and regulatory support in order to optimize development and enable accelerated assessment of new medicines that are of major public health interest with the potential to address unmet medical needs. The program focuses on medicines that target conditions for which there exists no satisfactory method of treatment in the EU or even if such a method exists, it may offer a major therapeutic advantage over existing treatments. PRIME is limited to medicines under development and not authorized in the EU and for which the sponsor intends to apply for an initial marketing authorization application through the centralized procedure. To be accepted for PRIME, a product candidate must meet the eligibility criteria in respect of its major public health interest and therapeutic innovation based on information that is capable of substantiating the claims. The benefits of a PRIME designation include the appointment of a CHMP rapporteur to provide continued support and help to build knowledge ahead of a marketing authorization application, early dialogue and scientific advice at key development milestones, and the potential to qualify products for accelerated review, meaning reduction in the review time for an opinion on approvability to be issued earlier in the application process. PRIME enables a sponsor to request parallel EMA scientific advice and health technology assessment advice to facilitate timely market access. Even if we receive PRIME designation for any of our product candidates, the designation may not result in a materially faster development process, review or approval compared to conventional EMA procedures. Further, obtaining PRIME designation does not assure or increase the likelihood of EMA's grant of a marketing authorization.

If we are required by the FDA to obtain clearance or approval of a companion diagnostic in connection with approval of a candidate therapeutic product, and we do not obtain or there are delays in obtaining FDA clearance or approval of a diagnostic device, we will not be able to commercialize the product candidate and our ability to generate revenue will be materially impaired.

In August 2014, the FDA issued final guidance clarifying the requirements that will apply to approval of therapeutic products and *in vitro* companion diagnostics. According to the guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic is not also approved or cleared for that indication. Under the Federal Food, Drug, and Cosmetic Act, or FDCA, companion diagnostics are regulated as medical devices and the FDA has generally required companion diagnostics intended to select the patients who will respond to cancer treatment to obtain premarket approval, or a PMA. Consequently, we anticipate that certain of our companion diagnostics may require us or our collaborators to obtain a PMA.

The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, involves a rigorous premarket review during which the applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA approval is not guaranteed and may take considerable time, and the FDA may ultimately respond to a PMA submission with a not approvable determination based on deficiencies in the application and require additional clinical trial or other data that may be expensive and time-consuming to generate and that can substantially delay approval. As a result, if we or our collaborators are required by the FDA to obtain approval of a companion diagnostic for a candidate therapeutic product, and we or our collaborators do not obtain or there are delays in obtaining FDA approval of a diagnostic device, we will not be able to commercialize the product candidate and our ability to generate revenue will be materially impaired.

In its August 2014 guidance, the FDA also indicated that companion diagnostics used to make treatment decisions in clinical trials of a therapeutic product generally will be considered investigational devices. When a companion diagnostic is used to make critical treatment decisions, such as patient selection, the FDA stated that the diagnostic will be considered a significant risk device requiring an investigational device exemption. The FDA may find that a companion diagnostic that we, alone or with a third party, plan to develop does not comply with those requirements and, if this were to occur, we would not be able to proceed with our planned trial of the applicable product candidate in these patient populations.

Given our limited experience in developing and commercializing diagnostics, we do not plan to develop companion diagnostics internally and thus will be dependent on the sustained cooperation and effort of third-party collaborators in developing and obtaining approval for these companion diagnostics. We may not be able to enter into arrangements with a provider to develop a companion diagnostic for use in connection with a registrational trial for our product candidates or for commercialization of our product candidates, or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our product candidates. We and our future collaborators may encounter difficulties in developing and obtaining approval for the companion diagnostics, including issues relating to selectivity/specificity, analytical validation, reproducibility, or clinical validation. Any delay or failure by our collaborators to develop or obtain regulatory approval of the companion diagnostics could delay or prevent approval of our product candidates. In addition, we, our collaborators or third parties may encounter production difficulties that could constrain the supply of the companion diagnostics, and both they and we may have difficulties gaining acceptance of the use of the companion diagnostics by physicians.

We believe that adoption of screening and treatment into clinical practice guidelines is important for payer access, reimbursement, utilization in medical practice and commercial success, but both our collaborators and we may have difficulty gaining acceptance of the companion diagnostic into clinical practice guidelines. If such companion diagnostics fail to gain market acceptance, it would have an adverse effect on our ability to derive revenues from sales, if any, of any of our product candidates that are approved for commercial sale. In addition, any companion diagnostic collaborator or third party with whom we contract may decide not to commercialize or to discontinue selling or manufacturing the companion diagnostic that we anticipate using in connection with development and commercialization of our product candidates, or our relationship with such collaborator or third party may otherwise terminate. We may not be able to enter into arrangements with another provider to obtain supplies of an alternative diagnostic test for use in connection with the development and commercialization of our product candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our product candidates.

Inadequate funding for the FDA, the SEC and other government agencies, including from government shutdowns, or other disruptions to these agencies' operations, could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory and policy changes. Average review times at the agency have fluctuated in recent years as a result. Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Separately, in response to the COVID-19 pandemic, since March 2020 when foreign and domestic inspections of facilities were largely placed on hold, the FDA has been working to resume routine surveillance, bioresearch monitoring and pre-approval inspections on a prioritized basis. The FDA has developed a rating system to assist in determining when and where it is safest to conduct prioritized domestic inspections. As of May 2021, certain inspections, such as foreign preapproval, surveillance, and for-cause inspections that are not deemed mission-critical, remain temporarily postponed. In April 2021, the FDA issued guidance for industry formally announcing plans to employ remote interactive evaluations, using risk management methods, to meet user fee commitments and goal dates and in May 2021 announced plans to continue progress toward resuming standard operational levels. Should FDA determine that an inspection is necessary for approval and an inspection cannot be completed during the review cycle due to restrictions on travel, and the FDA does not determine a remote interactive evaluation to be adequate, the FDA has stated that it generally intends to issue a complete response letter or defer action on the application until an inspection can be completed. In 2020 and 2021, a number of companies announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications.

As of May 26, 2021, the FDA noted it was continuing to ensure timely reviews of applications for medical products during the ongoing COVID-19 pandemic in line with its user fee performance goals and conducting mission critical domestic and foreign inspections to ensure compliance of manufacturing facilities with FDA quality standards. However, the FDA may not be able to continue its current pace and review timelines could be extended, including where a pre-approval inspection or an inspection of clinical sites is required and due to the ongoing COVID-19 pandemic and travel restrictions, the FDA is unable to complete such required inspections during the review period. Regulatory authorities outside the U.S. may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic and may experience delays in their regulatory activities. If a prolonged government shutdown or other disruption occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Future shutdowns or other disruptions could also affect other government agencies such as the SEC, which may also impact our business by delaying review of our public filings, to the extent such review is necessary, and our ability to access the public markets.

If approved, our product candidates that are licensed and regulated as biologics may face competition from biosimilars approved through an abbreviated regulatory pathway.

The BPCIA was enacted as part of the Patient Protection and Affordable Care Act, or the ACA, to establish an abbreviated pathway for the approval of biosimilar and interchangeable biological products. The regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as "interchangeable" based on its similarity to an approved biologic. Under the BPCIA, a reference biological product is granted 12 years of data exclusivity from the time of first licensure of the product, and the FDA will not accept an application for a biosimilar or interchangeable product based on the reference biological product until four years after the date of first licensure of the reference product In addition, the licensure 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 develop and receive approval of a competing biologic, so long as its BLA does not reply on the reference product, sponsor's data or submit the application as a biosimilar application. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty, and any new policies or processes adopted by the FDA could have a material adverse effect on the future commercial prospects for our biological products.

We believe that any of the product candidates we develop as a biological product under a 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 the subject product candidates to be reference products for competing products, potentially creating the opportunity for biosimilar competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of the 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. Nonetheless, the approval of a biosimilar to our product candidates would have a material adverse impact on our business due to increased competition and pricing pressure.

If the FDA, EMA or other comparable foreign regulatory authorities approve generic versions of any of our small molecule investigational products that receive marketing approval, or such authorities do not grant our products appropriate periods of exclusivity before approving generic versions of those products, the sales of our products, if approved, could be adversely affected.

Once an NDA is approved, the product covered thereby becomes a "reference listed drug" in the FDA's publication, "Approved Drug Products with Therapeutic Equivalence Evaluations," commonly known as the Orange Book. Manufacturers may seek approval of generic versions of reference listed drugs through submission of abbreviated new drug applications, or ANDAs, in the United States. In support of an ANDA, a generic manufacturer need not conduct clinical trials to assess safety and efficacy. Rather, the sponsor generally must show that its product has the same active ingredient(s), dosage form, strength, route of administration and conditions of use or labelling as the reference listed drug and that the generic version is bioequivalent to the reference listed drug, meaning it is absorbed in the body at the same rate and to the same extent. Generic products may be significantly less costly to bring to market than the reference listed drug and companies that produce generic products are generally able to offer them at lower prices. Thus, following the introduction of a generic drug, a significant percentage of the sales of any branded product or reference listed drug is typically lost to the generic product.

The FDA may not approve an ANDA for a generic product until any applicable period of non-patent exclusivity for the reference listed drug has expired. The FDCA provides a period of five years of non-patent exclusivity for a new drug containing a new chemical entity. Specifically, in cases where such exclusivity has been granted, an ANDA may not be submitted to the FDA until the expiration of five years unless the submission is accompanied by a Paragraph IV certification that a patent

covering the reference listed drug is either invalid or will not be infringed by the generic product, in which case the sponsor may submit its application four years following approval of the reference listed drug.

Generic drug manufacturers may seek to launch generic products following the expiration of any applicable exclusivity period we obtain if our products are approved, even if we still have patent protection for such products. Competition that our products could face from generic versions of our products could materially and adversely affect our future revenue, profitability, and cash flows and substantially limit our ability to obtain a return on the investments we have made in those product candidates.

Current and future legislation may increase the difficulty and cost for us and any future collaborators to obtain reimbursement for any of our product candidates that do receive marketing approval and our ability to generate revenue will be materially impaired.

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

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively the ACA. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and will remain in effect through 2031 under the CARES Act. Pursuant to subsequent legislation, however, these Medicare sequester reductions have been suspended through the end of March 2022. From April 2022 through June 2022 a 1% sequester cut will be in effect, with the full 2% cut resuming thereafter. The American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used.

Since enactment of the ACA, there have been, and continue to be, numerous legal challenges and Congressional actions to repeal and replace provisions of the law. For example, with enactment of the Tax Cuts and Jobs Act of 2017, which was signed by President Trump on December 22, 2017, Congress repealed the "individual mandate." The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, became effective in 2019. Further, on December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled that the individual mandate portion of the ACA is an essential and inseverable feature of the ACA and therefore because the mandate was repealed as part of the Tax Cuts and Jobs Act, the remaining provisions of the ACA are invalid as well. The U.S. Supreme Court heard this case on November 10, 2020 and on June 17, 2021, dismissed this action after finding that the plaintiffs do not have standing to challenge the constitutionality of the ACA. Litigation and legislation over the ACA are likely to continue, with unpredictable and uncertain results.

The Trump Administration also took executive actions to undermine or delay implementation of the ACA, including directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. On January 28, 2021, however, President Biden issued a new Executive Order which directs federal agencies to reconsider rules and other policies that limit Americans' access to health care, and consider actions that will protect and strengthen that access. Under this Order, federal agencies are directed to re-examine: policies that undermine protections for people with pre-existing conditions, including complications related to COVID-19; demonstrations and waivers under Medicaid and the ACA that may reduce coverage or undermine the programs, including work requirements; policies that undermine the Health Insurance Marketplace or other markets for health insurance; policies that make it more difficult to enroll in Medicaid and the ACA; and policies that reduce affordability of coverage or financial assistance, including for dependents.

We expect that these healthcare reforms, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product and/or the level of

reimbursement physicians receive for administering any approved product we might bring to market. Reductions in reimbursement levels may negatively impact the prices we receive or the frequency with which our products are prescribed or administered. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. Accordingly, such reforms, if enacted, could have an adverse effect on anticipated revenue from product candidates that we may successfully develop and for which we may obtain marketing approval and may affect our overall financial condition and ability to develop or commercialize product candidates.

The prices of prescription pharmaceuticals in the United States and foreign jurisdictions are subject to considerable legislative and executive actions and could impact the prices we obtain for our products, if and when licensed.

The prices of prescription pharmaceuticals have been the subject of considerable discussion in the United States. There have been several recent U.S. congressional inquiries, as well as proposed and enacted state and federal legislation designed to, among other things, bring more transparency to pharmaceutical pricing, review the relationship between pricing and manufacturer patient programs, and reduce the costs of pharmaceuticals under Medicare and Medicaid. In 2020, President Trump issued several executive orders intended to lower the costs of prescription products and certain provisions in these orders have been incorporated into regulations. These regulations include an interim final rule implementing a most favored nation model for prices that would tie Medicare Part B payments for certain physician-administered pharmaceuticals to the lowest price paid in other economically advanced countries, effective January 1, 2021. That rule, however, has been subject to a nationwide preliminary injunction and, on December 29, 2021, the Centers for Medicare & Medicaid Services, or CMS, issued a final rule to rescind it. With issuance of this rule, CMS stated that it will explore all options to incorporate value into payments for Medicare Part B pharmaceuticals and improve beneficiaries' access to evidence-based care.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare organizations and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

In the European Union, similar political, economic and regulatory developments may affect our ability to profitably commercialize our product candidates, if approved. In markets outside of the United States and the European Union, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. In many countries, including those of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control and access. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we or our collaborators may be required to conduct a clinical trial that compares the cost-effectiveness of our product to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

We may be subject to certain healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, fines, disgorgement, exclusion from participation in government healthcare programs, curtailment or restricting of our operations, and diminished profits and future earnings.

Healthcare providers, third-party payors and others will play a primary role in the recommendation and prescription of any product for which we obtain marketing approval. Our future arrangements with healthcare providers and third-party payors will expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any product for which we obtain marketing approval. Potentially applicable U.S. federal and state healthcare laws and regulations include the following:

Anti-Kickback Statute. The federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid;

False Claims Laws. The federal false claims laws, including the civil False Claims Act, impose criminal and civil penalties, including those from civil whistleblower or *qui tam* actions against individuals or entities for knowingly presenting,

or causing to be presented to the federal government claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;

HIPAA. The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing or attempting to execute a scheme to defraud any healthcare benefit program;

HIPAA and HITECH. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or the HITECH Act, also imposes obligations on certain types of individuals and entities, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

False Statements Statute. The federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;

Transparency Requirements. The federal Physician Payments Sunshine Act requires certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to report annually to the HHS information related to healthcare provider payments and other transfers of value and healthcare provider ownership and investment interests; and

Analogous State and Foreign Laws. Analogous state laws and regulations, such as state anti-kickback and false claims laws, and transparency laws, may apply to sales or marketing arrangements, and claims involving healthcare items or services reimbursed by non-governmental third party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, in addition to requiring drug manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures. Many state laws also govern the privacy and security of health information and other personal information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Foreign laws also govern the privacy and security of health information and other personal information in many circumstances.

Efforts to ensure that our business arrangements with third parties, and our business generally, will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid, disgorgement, contractual damages, and reputational harm, any of which could substantially disrupt our operations. If any of the physicians or other providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Compliance with global privacy and data security requirements could result in additional costs and liabilities to us or inhibit our ability to collect and process data globally, and the failure to comply with such requirements could subject us to significant fines and penalties, which may have a material adverse effect on our business, financial condition or results of operations.

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future.

There are multiple privacy and data security laws that may impact our business activities in the United States and in other countries where we conduct trials or where we may do business in the future. These laws are evolving and may increase both our obligations and our regulatory risks in the future. In the healthcare industry generally, for example, under HIPAA, HHS has issued regulations to protect the privacy and security of protected health information used or disclosed by specific covered entities including certain healthcare providers, health plans and healthcare clearinghouses. HIPAA also imposes certain obligations on the business associates of covered entities that obtain protected health information in providing services to or on behalf of covered entities. HIPAA may apply to us in certain circumstances and may also apply to our business partners in ways that may impact our relationships with them. Our clinical trials are regulated by the Federal Policy for the Protection of Human Subjects, or the Common Rule, which also includes specific privacy-related provisions. In addition to federal privacy regulations, there are a number of state laws governing confidentiality and security of health information that may be applicable to our business. In addition to possible federal civil and criminal penalties for HIPAA violations, state attorneys general are authorized to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorney's fees and costs associated with pursuing federal civil actions. In addition, state attorneys general (along with private plaintiffs) have brought

civil actions seeking injunctions and damages resulting from alleged violations of HIPAA's privacy and security rules. State attorneys general also have authority to enforce state privacy and security laws. Moreover, new laws and regulations governing privacy and security may be adopted in the future as well.

Globally, virtually every jurisdiction in which we operate has established its own data security and privacy frameworks with which we must comply. For example, the collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the European Union, including personal health data, is subject to the EU General Data Protection Regulation, or the GDPR, which took effect across all member states of the European Economic Area, or EEA, in May 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including strict rules on the transfer of personal data to countries outside the European Union, including the United States. Examples of obligations imposed by the GDPR on companies processing personal data that fall within the scope of the GDPR include providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, appointing a data protection officer, providing notification of data breaches and taking certain measures when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA, including the United States, and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenues, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR is a rigorous and time-intensive process that may increase the cost of doing business or require companies to change their business practices to ensure full compliance.

As a result, there is increased scrutiny on the extent to which clinical trial sites located in the EEA should apply the GPDR to transfers of personal data from such sites to countries that are considered to lack an adequate level of data protection, such as the United States. The GDPR also permits data protection authorities to require destruction of improperly gathered or used personal information and/or impose substantial fines for violations of the GDPR, which can be up to four percent of global revenues or €20.0 million, whichever is greater, and it also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. In addition, the GDPR provides that European Union member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data.

There also are ongoing concerns about the ability of companies to transfer personal data from the EU to other countries. In July 2020, the Court of Justice of the European Union, or the CJEU, invalidated the EU-U.S. Privacy Shield framework, one of the mechanisms used to legitimize the transfer of personal data from the EEA to the United States. The CJEU decision also drew into question the long-term viability of an alternative means of data transfer, the standard contractual clauses, for transfers of personal data from the EEA to the United States. This CJEU decision may lead to increased scrutiny on data transfers from the EU to the United States generally and increase our costs of compliance with data privacy legislation as well as our costs of negotiating appropriate privacy and security agreements with our vendors and business partners.

As with other issues related to Brexit, there are open questions about how personal data will be protected in the United Kingdom and whether personal information can transfer from the EU to the United Kingdom. Following the withdrawal of the United Kingdom from the EU, the United Kingdom's Data Protection Act 2018 applies to the processing of personal data that takes place in the United Kingdom and includes parallel obligations to those set forth by GDPR. While the United Kingdom's Data Protection Act 2018, which "implements" and complements the GDPR, achieved Royal Assent on May 23, 2018 and is now effective in the United Kingdom, it is still unclear whether transfer of data from the EEA to the United Kingdom will remain lawful under GDPR. The United Kingdom government has already determined that it considers all European Union and EEA member states to be adequate for the purposes of data protection, ensuring that data flows from the United Kingdom to the European Union/EEA remain unaffected. In addition, a recent decision from the European Commission appears to deem the United Kingdom as being "essentially adequate" for purposes of data transfer from the EU to the United Kingdom, although this decision may be re-evaluated in the future.

Beyond GDPR, there are privacy and data security laws in a growing number of countries around the world. While many loosely follow GDPR as a model, other laws contain different or conflicting provisions. These laws will impact our ability to conduct our business activities, including both our clinical trials and any eventual sale and distribution of commercial products.

Similar actions are either in place or under way in the United States. There are a broad variety of data protection laws that are applicable to our activities, and a wide range of enforcement agencies at both the state and federal levels that can review companies for privacy and data security concerns based on general consumer protection laws. The Federal Trade Commission and state Attorneys General all are aggressive in reviewing privacy and data security protections for consumers. New laws also are being considered at both the state and federal levels. There have been several developments in recent years with respect to U.S. state data privacy laws. For example, the California Consumer Privacy Act, or CCPA, which went into effect on January 1,

2020, is creating similar risks and obligations as those created by GDPR, though the Act does exempt certain information collected as part of a clinical trial subject to the Common Rule. The CCPA's requirements include requiring businesses to provide notice to data subjects regarding the information collected about them and how such information is used and shared, and providing data subjects the right to request access to such personal information and, in certain cases, request the erasure of such personal information. The CCPA also affords California residents the right to opt out of "sales" of their personal information. The CCPA contains significant penalties for companies that violate its requirements. It also provides California residents a private right of action in certain circumstances, including the ability to seek statutory damages, in the event of a breach involving their personal information. Compliance with the CCPA is a rigorous and time-intensive process that may increase the cost of doing business or require companies to change their business practices to ensure full compliance. On November 3, 2020, California voters passed a ballot initiative for the California Privacy Rights Act, or the CPRA, which will significantly expand the CCPA to incorporate additional provisions including requiring that the use, retention and sharing of personal information of California residents be reasonably necessary and proportionate to the purposes of collection or processing, granting additional protections for sensitive personal information, and requiring greater disclosures related to notice to residents regarding retention of information. The CPRA will also expand personal information rights of California residents, including creating a right to opt out of sharing of personal information with third parties for advertising, expanding the lookback period for the right to know about personal information held by businesses, and expanding the right to erasure for information held by third parties. Most CPRA provisions will take effect on January 1, 2023, though the obligations will apply to any personal information collected after January 1, 2022. These provisions may apply to some of our business activities. In addition, other states, including Virginia and Colorado, already have passed state privacy laws. Other states will be considering these laws in the future. These laws may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of our products.

A broad range of legislative measures related to privacy also have been introduced at the federal level. Accordingly, failure to comply with federal and state laws (both those currently in effect and future legislation) regarding privacy and security of personal information could expose us to fines and penalties under such laws. There also is the threat of consumer class actions related to these laws and the overall protection of personal data. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our reputation and our business.

In addition to the foregoing, any breach of privacy laws or data security laws, particularly resulting in a significant security incident or breach involving the misappropriation, loss or other unauthorized use or disclosure of sensitive or confidential patient or consumer information, could have a material adverse effect on our business, reputation and financial condition. As a data controller, we will be accountable for any third-party service providers we engage to process personal data on our behalf, including our CROs. There is no assurance that privacy and security-related safeguards we implement will protect us from all risks associated with the third-party processing, storage and transmission of such information. In certain situations, both in the United States and in other countries, we also may be obligated as a result of a security breach to notify individuals and/or government entities about these breaches.

Given the breadth and depth of changes in data protection obligations, preparing for and complying with such requirements is rigorous and time intensive and requires significant resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that process or transfer personal data collected in the European Union. The GDPR and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as healthcare data or other personal information from our clinical trials, could require us to change our business practices and put in place additional compliance mechanisms, may interrupt or delay our development, regulatory and commercialization activities and increase our cost of doing business, and could lead to government enforcement actions, private litigation and significant fines and penalties against us and could have a material adverse effect on our business, financial condition or results of operations.

We are subject to U.S. and foreign anti-corruption and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, third-party intermediaries, joint venture partners and collaborators from authorizing, promising, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We may have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations. In addition, we may engage third party intermediaries to promote our clinical research activities abroad and/or to obtain necessary permits, licenses, and other regulatory approvals. We can be held

liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize or have actual knowledge of such activities.

We have adopted a Code of Business Conduct and Ethics that mandates compliance with the FCPA and other anti-corruption laws applicable to our business throughout the world. We cannot assure you, however, that our employees and third party intermediaries will comply with this code or such anti-corruption laws. Noncompliance with anti-corruption and anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas, investigations, or other enforcement actions are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In certain cases, enforcement authorities may even cause us to appoint an independent compliance monitor which can result in added costs and administrative burdens.

We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws.

Our products and solutions are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. Exports of our products and solutions outside of the United States must be made in compliance with these laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers.

In addition, changes in our products or solutions or changes in applicable export or import laws and regulations may create delays in the introduction, provision, or sale of our products and solutions in international markets, prevent customers from using our products and solutions or, in some cases, prevent the export or import of our drugs and solutions to certain countries, governments or persons altogether. Any limitation on our ability to export, provide, or sell our products and solutions could adversely affect our business, financial condition and results of operations.

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 harm our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. From time to time and in the future, our operations may involve the use of hazardous and flammable materials, including chemicals and biological materials, and may also produce hazardous waste products. Even if we contract with third parties for the disposal of these materials and waste products, we cannot completely eliminate the risk of contamination or injury resulting from these materials. In the event of contamination or injury resulting from the use or disposal of our hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

We maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, however this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us.

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

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

We are exposed to the risk of employee fraud or other misconduct, including intentional failures to comply with FDA regulations or similar regulations of comparable foreign regulatory authorities, provide accurate information to the FDA or comparable foreign regulatory authorities, comply with manufacturing standards we have established, comply with federal and

state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, report financial information or data accurately or disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws, standards or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

Our internal computer systems, or those of any collaborators or contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Despite the implementation of security measures and certain data recovery measures, our internal computer systems and those of our current and any future collaborators and other contractors or consultants are vulnerable to damage from cyber-attacks, computer viruses, unauthorized access, sabotage, natural disasters, terrorism, war and telecommunication and electrical failures. We may experience security breaches of our information technology systems. Any system failure, accident or security breach that causes interruptions in our operations, for us or those third parties with which we contract, could result in a material disruption of our product development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions, in addition to possibly requiring substantial expenditures of resources to remedy. For example, the loss of clinical trial data from an ongoing, completed or future clinical trial could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we may incur liabilities, our competitive position could be harmed and the further development and commercialization of our product candidates may be delayed. In addition, we may not have adequate insurance coverage to provide compensation for any losses associated with such events.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our company, including personal information of our employees. In addition, outside parties have attempted, and may in the future attempt, to penetrate our systems or those of our vendors or fraudulently induce our employees or employees of our vendors to disclose sensitive information to gain access to our data. Like other companies, we may experience threats to our data and systems, including malicious codes and viruses, and other cyber-attacks. The number and complexity of these threats continue to increase over time. If a material breach of our security or that of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed, we could lose business and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely.

RISKS RELATING TO OUR COMMON STOCK

If we fail to meet the requirements for continued listing on the Nasdaq Global Market, our common stock could be delisted from trading, which would decrease the liquidity of our common stock and our ability to raise additional capital.

Our common stock is currently listed on the Nasdaq Global Market. We are required to meet specified requirements to maintain our listing on the Nasdaq Global Market, including a minimum market value of listed securities of $50.0 million, a minimum bid price of $1.00 per share for our common stock, and other continued listing requirements. In the past we have, from time to time, received deficiency letters from Nasdaq as a consequence of our failure to satisfy such requirements. Although we have been able to regain compliance with the listing requirements within the manner and time periods prescribed by Nasdaq in the past, there can be no assurance that we will be able to maintain compliance with the Nasdaq continued listing requirements in the future or regain compliance with respect to any future deficiencies. If we fail to satisfy the Nasdaq Global Market's continued listing requirements, we may transfer to the Nasdaq Capital Market, which generally has lower financial requirements for initial listing, to avoid delisting, or, if we fail to meet its listing requirements, the OTC Bulletin Board. However, we may not be able to satisfy the initial listing requirements for the Nasdaq Capital Market. A transfer of our listing to the Nasdaq Capital Market or having our common stock trade on the OTC Bulletin Board could adversely affect the liquidity of our common stock. Any such event could make it more difficult to dispose of, or obtain accurate quotations for the price of, our common stock, and there also would likely be a reduction in our coverage by securities analysts and the news media, which could cause the price of our common stock to decline further. We may also face other material adverse consequences in such

event, such as negative publicity, a decreased ability to obtain additional financing, diminished investor and/or employee confidence, and the loss of business development opportunities, some or all of which may contribute to a further decline in our stock price.

Our stock price has and may continue to fluctuate significantly and the market price of our common stock could drop below the price paid by our investors.

The trading price of our common stock has been volatile and is likely to continue to be volatile in the future. For example, our stock traded within a range of a high price of $16.65 and a low price of $0.62 per share for the period January 1, 2017 through February 17, 2022. The daily closing market price for our common stock has varied between a high price of $16.27 on May 12, 2021 and a low price of $2.97 on February 3, 2022 in the twelve-month period ending on February 17, 2022. During this time, the price per share has ranged from an intra-day low of $0.60 per share to an intra-day high of $17.40 per share. The stock market, particularly in recent years, has experienced significant volatility with respect to pharmaceutical and biotechnology company stocks. Prices for our stock will be determined in the marketplace and may be influenced by many factors, including:

- the timing and result of clinical trials of our drug candidates;
- the success of, and announcements regarding, existing and new technologies and/or drug candidates by us or our competitors;
- regulatory actions with respect to our product candidates or our competitors' products and product candidates;
- market conditions in the biotechnology and pharmaceutical sectors;
- rumors relating to us or our collaborators or competitors;
- commencement or termination of collaborations for our development programs;
- litigation or public concern about the safety of our drug candidates;
- actual or anticipated variations in our quarterly operating results and any subsequent restatement of such results;
- the amount and timing of any royalty revenue we receive from Genentech related to Erivedge;
- actual or anticipated changes to our research and development plans;
- deviations in our operating results from the estimates of securities analysts or the failure by one or more securities analysts to continue to cover our stock;
- entering into new collaboration agreements or termination of existing collaboration agreements;
- adverse results or delays in clinical trials being conducted by us or any collaborators;
- any intellectual property disputes or other lawsuits involving us;
- third-party sales of large blocks of our common stock;
- sales of our common stock by our executive officers, directors or significant stockholders;
- equity sales by us of our common stock to fund our operations;
- the loss of any of our key scientific or management personnel;
- FDA or international regulatory actions;
- limited trading volume in our common stock;
- general economic and market conditions, including adverse changes in the domestic and international financial markets;
- the impacts of the COVID-19 pandemic; and
- the other factors described in this "Risk Factors" section.

While we cannot predict the individual effect that these factors may have on the price of our common stock, these factors, either individually or in the aggregate, could result in significant variations in price during any given period of time.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources.

Fluctuations in our quarterly and annual operating results could adversely affect the price of our common stock which could result in substantial losses for purchasers of our common stock.

Our quarterly and annual operating results may fluctuate significantly. Some of the factors that may cause our operating results to fluctuate on a period-to-period basis include:

· payments we may be required to make to collaborators such as Aurigene and ImmuNext to exercise license rights and satisfy milestones and royalty obligations;

· the status of, and level of expenses incurred in connection with, our programs;

· fluctuations in sales of Erivedge and related royalty and milestone payments;

· costs and expenses relating to the impact of the COVID-19 pandemic on our development programs, ongoing clinical trial activities and operations;

· any intellectual property infringement lawsuit or other litigation in which we may become involved;

· the implementation of restructuring and cost-savings strategies;

· the occurrence of an event of default under the Oberland Purchase Agreement;

· the implementation or termination of collaboration, licensing, manufacturing or other material agreements with third- parties, and non-recurring revenue or expenses under any such agreement;

· compliance with regulatory requirements; and

· general conditions in the global economy and financial markets.

If any of the foregoing matters were to occur, or if our operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially, which could result in substantial losses for purchasers of our common stock. In addition, we currently have no drug revenues and depend entirely on funds raised through other sources, such as funding through debt and/or equity offerings. Our ability to raise funds in this manner depends upon, among other things, our stock price.

We and our collaborators may not achieve projected research, development, commercialization and marketing goals in the time frames that we or they announce, which could have an adverse impact on our business and could cause our stock price to decline.

We set goals for, and make public statements regarding, the timing of certain accomplishments, such as the commencement and completion of preclinical studies, and clinical trials, and other developments and milestones relating to our business and our collaboration agreements. Our collaborators may also make public statements regarding their goals and expectations for their collaborations with us. The actual timing of any such events can vary dramatically due to a number of factors including delays or failures in our and our current and potential future collaborators' preclinical studies or clinical trials, the amount of time, effort and resources committed to our programs by all parties, and the inherent uncertainties in the regulatory approval and commercialization process. As a result:

- our or our collaborators' preclinical studies and clinical trials may not advance or be completed in the time frames we or they announce or expect;
- we or our collaborators may not make regulatory submissions, receive regulatory approvals or commercialize approved drugs as predicted; and
- we or our collaborators may not be able to adhere to our or their current schedule for the achievement of key milestones under any programs.

If we or any collaborators fail to achieve research, development and commercialization goals as planned, our business could be materially adversely affected and the price of our common stock could decline.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if a company undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership by certain stockholders over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes (such as research tax credits) to offset its post change taxable income or taxes may be limited. Changes in our stock ownership, some such changes being out of our control, may have resulted or could in the future result in an ownership change. If such an ownership change occurred or occurs in the future, utilization of a portion of our net operating loss and tax credit carryforwards could be limited in future periods and a portion of the carryforwards could expire before being available to reduce future income tax liabilities.

There is also a risk that due to regulatory changes, such as suspensions on the use of net operating losses, or other unforeseen reasons, our existing net operating losses could expire or otherwise become unavailable to offset future income tax liabilities. As described below in "Changes in tax laws or in their implementation or interpretation may adversely affect our business and financial condition," the Tax Cuts and Jobs Act, or the TCJA, as amended by the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, includes changes to U.S. federal tax rates and the rules governing net operating loss carryforwards that may significantly impact our ability to utilize our net operating losses to offset taxable income in the future. In addition, state net operating losses generated in one state cannot be used to offset income generated in another state. For these reasons, even if we attain profitability, we may be unable to use a material portion of our net operating losses and other tax attributes.

Our effective tax rate may fluctuate, and we may incur obligations in tax jurisdictions in excess of accrued amounts.

We are subject to taxation in numerous U.S. states and territories. As a result, our effective tax rate is derived from a combination of applicable tax rates in the various places that we operate. In preparing our financial statements, we estimate the amount of tax that will become payable in each of such places. Nevertheless, our effective tax rate may be different than experienced in the past due to numerous factors, including changes in the mix of our profitability from state to state, the results of examinations and audits of our tax filings, our inability to secure or sustain acceptable agreements with tax authorities, changes in accounting for income taxes and changes in tax laws, as more fully described below in "Changes in tax laws or in their implementation or interpretation may adversely affect our business and financial condition." Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations and may result in tax obligations in excess of amounts accrued in our financial statements.

Changes in tax laws or in their implementation or interpretation may adversely affect our business and financial condition.

Changes in tax law may adversely affect our business or financial condition. On December 22, 2017, the U.S. government enacted the TCJA, which significantly reformed the Code. The TCJA, among other things, contained significant changes to corporate taxation, including limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely).

As part of Congress' response to the COVID-19 pandemic, the Families First Coronavirus Response Act, or FFCR Act, was enacted on March 18, 2020, the CARES Act was enacted on March 27, 2020, COVID relief provisions were included in the Consolidated Appropriations Act, 2021, or CAA, which was enacted on December 27, 2020, and the American Rescue Plan Act of 2021, or ARPA, was enacted on March 11, 2021. All contain numerous tax provisions. In particular, the CARES Act retroactively and temporarily (for taxable years beginning before January 1, 2021) suspends application of the 80%-of-income limitation on the use of net operating losses, which was enacted as part of the TCJA. It also provides that net operating losses arising in any taxable year beginning after December 31, 2017, and before January 1, 2021 are generally eligible to be carried back up to five years.

Regulatory guidance under the TCJA, the FFCR Act, the CARES Act, the CAA, and ARPA is and continues to be forthcoming, and such guidance could ultimately increase or lessen the impact of these laws on our business and financial condition. It is also possible that Congress will enact additional legislation in connection with the COVID-19 pandemic, and as a result of the changes in the U.S. presidential administration and control of the U.S. Senate, additional tax legislation may also be enacted; any such additional legislation could have an impact on us. In addition, it is uncertain if and to what extent various states will conform to the TCJA, the FFCR Act, the CARES Act, the CAA, or the ARPA.

Future sales of shares of our common stock, including by us, employees and large stockholders, including pursuant to our common stock purchase agreement with Aspire Capital and sales agreement with Cantor and JonesTrading could result in dilution to our stockholders and negatively affect our stock price.

Most of our outstanding common stock can be traded without restriction at any time. As such, sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell such shares, could reduce the market price of our common stock.

As of February 17, 2022, Aurigene beneficially owned approximately 6.0% of our outstanding common stock. Subject to certain restrictions, Aurigene is able to sell its common shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by Rule 144 under the Securities Act of 1933, as amended. By selling a large number of shares of common stock, Aurigene could cause the price of our common stock to decline. In addition, the perception in the public markets that sales by Aurigene might occur could also adversely affect the market price of our common stock.

We have a significant number of shares that are subject to outstanding options and in the future, we may issue additional options, warrants or other derivative securities convertible into our common stock. The exercise of any such options, warrants or other derivative securities, and the subsequent sale of the underlying common stock, could cause a further decline in our stock price and could dilute our stockholders. These sales also might make it difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

In addition, pursuant to our purchase agreement with Aspire Capital, Aspire Capital is committed to purchase up to an aggregate of $30.0 million of shares of our common stock over the 30-month term of the purchase agreement upon the terms and subject to the conditions and limitations set forth in the purchase agreement, of which $21.6 million remains unsold. In addition, we issued 646,551 shares of our common stock to Aspire Capital as a commitment fee in connection with entering into the purchase agreement. Pursuant to the terms of the purchase agreement, we have registered for sale the shares we have already issued to Aspire Capital and the additional shares that we may in the future sell to Aspire Capital. We also entered into a registration rights agreement with Aspire Capital in connection with entering into the agreement setting forth our obligation to maintain an effective registration statement covering any shares of common stock sold or to be sold to Aspire Capital, subject to the terms of the registration rights agreement.

Sales of shares of our common stock to Aspire Capital pursuant to our purchase agreement with Aspire Capital may result in dilution to the interests of other holders of our common stock. In addition, Aspire Capital may sell all, some or none of our shares that it holds or may come to hold under the purchase agreement. The sale of shares of our common stock by us to Aspire Capital or by Aspire Capital into the market, or anticipation of such sales, could cause the trading price of our common stock to decline or make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise desire.

In addition, we may offer and sell up to $100.0 million shares of common stock registered under our universal shelf registration statement on Form S-3 pursuant to our sales agreement with Cantor and JonesTrading, in one or more “at the market” offerings. To date, we have not made any sales of common stock pursuant to the sales agreement. The extent to which we utilize the sales agreement with Cantor and JonesTrading as a source of funding will depend on a number of factors, including the prevailing market price of our common stock, general market conditions and other restrictions and the extent to which we are able to secure funds from other sources.

In addition, sales of substantial amounts of shares of our common stock or other securities by us or our employees and other stockholders could dilute our stockholders, lower the market price of our common stock and impair our ability to raise capital through the sale of equity or equity-related securities.

If we are not able to maintain effective internal controls under Section 404 of the Sarbanes-Oxley Act, our business and stock price could be adversely affected.

Section 404 of the Sarbanes-Oxley Act of 2002 requires us, on an annual basis, to review and evaluate our internal controls, and requires our independent registered accounting firm to attest to the effectiveness of our internal controls. Any failure by us to maintain the effectiveness of our internal controls in accordance with the requirements of Section 404 of the Sarbanes-Oxley Act, as such requirements exist today or may be modified, supplemented or amended in the future, could have a material adverse effect on our business, operating results and stock price.

We do not intend to pay dividends on our common stock, and any return to investors will come, if at all, only from potential increases in the price of our common stock.

We have never declared nor paid cash dividends on our common stock. We currently plan to retain all of our future earnings, if any, to finance the operation, development and growth of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

Insiders have substantial influence over us and could cause us to take actions that may not be, or refrain from taking actions that may be, in our best interest or in the best interest of our stockholders.

As of February 17, 2022, we believe that our directors, executive officers and principal stockholders, together with their affiliates, owned, in the aggregate, approximately 30.1% of our outstanding common stock including approximately 6.0% of our outstanding common stock owned by Aurigene. As a result, if these stockholders were to choose to act together, they may be able to affect the outcome of matters submitted to our stockholders for approval, as well as our management and affairs, such as:

- the composition of our board of directors;
- the adoption of amendments to our certificate of incorporation and bylaws;
- the approval of mergers or sales of substantially all of our assets;
- our capital structure and financing; and
- the approval of contracts between us and these stockholders or their affiliates, which could involve conflicts of interest.

This concentration of ownership could harm the market price of our common stock by:

- delaying, deferring or preventing a change in control of our company and making some transactions more difficult or impossible without the support of these stockholders, even if such transactions are beneficial to other stockholders;
- impeding a merger, consolidation, takeover or other business combination involving our company; or
- entrenching our management or the board of directors.

Moreover, the interests of these stockholders may conflict with the interests of other stockholders, and we may be required to engage in transactions that may not be agreeable to or in the best interest of us or other stockholders.

We have anti-takeover defenses that could delay or prevent an acquisition that our stockholders may consider favorable, or prevent attempts by our stockholders to replace or remove current management, which could result in a decline in the price of our common stock.

Provisions of our certificate of incorporation, our bylaws, and Delaware law may deter unsolicited takeovers or delay or prevent changes in control of our management, including transactions in which our stockholders might otherwise receive a premium for their shares over then-current market prices. In addition, these provisions may limit the ability of stockholders to approve transactions that they may deem to be in their best interest. For example, we have divided our board of directors into three classes that serve staggered three-year terms, we may issue shares of our authorized “blank check” preferred stock, and our stockholders are limited in their ability to call special stockholder meetings.

In addition, we are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law, which prohibits a publicly-held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person who together with his, her, or its affiliates owns, or within the last three years has owned, 15% of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. These provisions could discourage, delay or prevent a change in control.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our headquarters consist of office and laboratory space in Lexington, Massachusetts. We occupy approximately 21,772 feet of space under a seven-year lease agreement, which we entered into in December 2019. We occupied this leased property in May 2020. This lease expires in April 2027, and we have one five-year option to extend it through April 2032. On January 27, 2022, we amended the lease agreement to expand the leased space by approximately 9,340 square feet ("Lease Amendment"). In addition, the Lease Amendment provides us and the landlord each with an option to terminate the lease agreement early. Our early termination option becomes effective on the lease commencement date of a new lease for larger premises within the landlord's commercial real estate portfolio ("New Lease"), and we may exercise our early termination option by providing the landlord with written notice of such election to terminate the lease agreement concurrently with the execution of the New Lease. The landlord has the option to terminate the lease agreement early by providing written notice to us eighteen (18) months prior to December 31, 2025. We believe this office and laboratory space will be sufficient to meet our needs for the foreseeable future and that suitable additional space will be available as and when needed.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDERS MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information. Our common stock is traded on the Nasdaq Global Market under the trading symbol "CRIS."

Holders. On February 17, 2022 the last reported sale price of our common stock per share on the Nasdaq Global Market was $3.28 and there were 78 holders of record of our common stock. The number of record holders may not be representative of the number of beneficial owners because many of the shares of our common stock are held by depositories, brokers or other nominees.

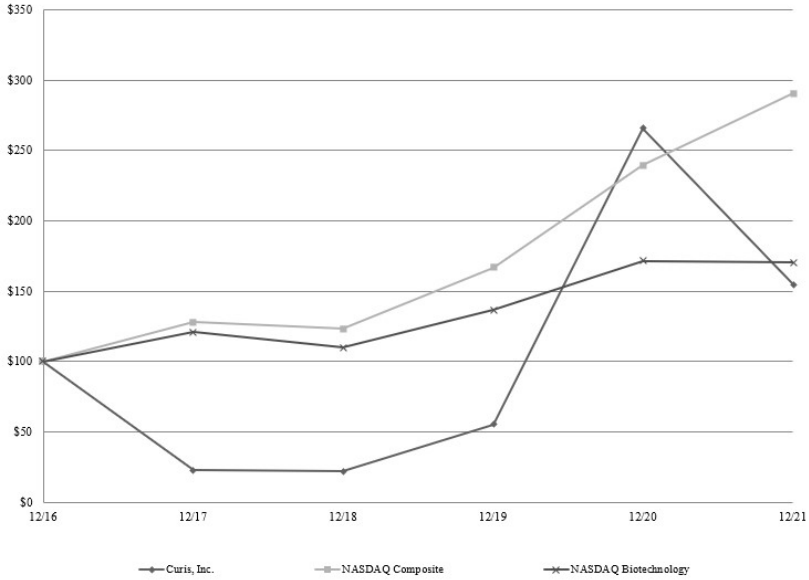
Dividends. We have never declared or paid any cash dividends on our common stock. We currently intend to retain earnings, if any, to support our business strategy and do not anticipate paying cash dividends in the foreseeable future. Payment of future dividends, if any, will be at the sole discretion of our board of directors after taking into account various factors, including our financial condition, operating results, capital requirements and any plans for expansion.

Issuer Purchases of Equity Securities. None.

Unregistered Sales of Equity Securities. None.

Performance Graph. The graph below compares the cumulative total stockholder return on our common stock for the period from December 31, 2016 through December 31, 2021, with the cumulative total return on (i) NASDAQ Pharmaceutical Index, (ii) NASDAQ Composite Index and (iii) NASDAQ Biotechnology Index. The comparison assumes investment of $100 on December 31, 2016 in our common stock and in each of the indices and, in each case, assumes reinvestment of all dividends.

This graph is not deemed to be "filed" with the SEC or subject to the liabilities of Section 18 of the Exchange Act, and should not be deemed to be incorporated by reference into any of our prior or subsequent filings under the Securities Act or the Exchange Act.



*$100 invested on December 31, 2016 in stock or index, including reinvestment of dividends.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the related notes appearing elsewhere in this report. This discussion contains forward-looking statements, based on current expectations and related to future events and our future financial performance, that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set forth under Part I, Item 1A, "Risk Factors" and elsewhere in this report. As used throughout this report, the terms "the Company," "we," "us," and "our" refer to the business of Curis, Inc. and its wholly owned subsidiaries, except where the context otherwise requires, and the term "Curis" refers to Curis, Inc.

Overview

We are a biotechnology company focused on the development of first-in-class and innovative therapeutics for the treatment of cancer.

We conduct our research and development programs both internally and through strategic collaborations. Our clinical stage drug candidates are emavusertib, previously CA-4948, and CI-8993:

- Emavusertib, previously CA-4948, an orally available small molecule inhibitor of Interleukin-1 receptor-associated kinase 4, or IRAK4, which is currently undergoing testing in a Phase 1/2 open-label dose escalating clinical trial in patients with non-Hodgkin lymphomas, or NHL, including those with Myeloid Differentiation Primary Response Protein 88, or MYD88, alterations, also known as the TakeAim Lymphoma study. We reported preliminary clinical

data from the study in December 2020. The trial was amended to include a combination study of emavusertib (CA-4948) and ibrutinib, a BTK inhibitor, in patients with NHL for which we enrolled the first patient in February 2021. We expect to provide initial data from the combination study in the first half of 2022. We are also conducting a separate Phase 1/2 open-label, single arm dose escalating and expansion trial in patients with relapsed or refractory, or R/R, acute myeloid leukemia, or AML, and high risk myelodysplastic syndromes, or MDS, also known as the TakeAim Leukemia study, and announced preliminary clinical data from this study in December 2020. The study was amended in April 2021 to include dose escalation cohorts of emavusertib (CA-4948) in combination with azacitidine or venetoclax. In April 2021, emavusertib (CA-4948) was granted Orphan Drug Designation for the treatment of R/R AML and high risk MDS by the U.S. Food and Drug Administration, or FDA. In June 2021, we reported updated preliminary clinical data from the TakeAim Leukemia study and announced the recommended Phase 2 dose for monotherapy dose expansion. In January 2022, we provided updated preliminary clinical data for patients from the TakeAim Leukemia study.

- CI-8993, a monoclonal antibody designed to antagonize the V-domain Ig suppressor of T cell activation, or VISTA signaling pathway. In June 2020, we announced that the FDA had cleared our Investigational New Drug, or IND, application for CI-8993. In September 2020, we began enrollment in our Phase 1 trial of CI-8993 in patients with R/R solid tumors. We have an option to license CI-8993 from ImmuNext, Inc., or ImmuNext. In January 2022, we provided initial safety, pharmacokinetic and pharmacodynamic data from the Phase 1 study in patients with R/R solid tumors.

Our pipeline also includes the following:

- Fimepinostat, a small molecule that potently inhibits the activity of histone deacetylase, or HDAC, and phosphotidyl-inositol 3 kinase, or PI3 kinase enzymes, which has been granted Orphan Drug Designation and Fast Track Designation for the treatment of diffuse large B-cell lymphoma, or DLBCL, and Orphan Drug Designation for nuclear protein in testis (NUT) midline carcinoma by the FDA. In 2019, we began enrollment in a Phase 1 combination study with venetoclax in DLBCL patients, including patients with translocations in both MYC and the BCL2 gene, also referred to as double-hit lymphoma, or high-grade B-cell lymphoma, or HGBL. We reported preliminary clinical data from this combination study in December 2019. In March 2020, we announced that although we observed no significant drug-drug interaction in our Phase 1 study of fimepinostat in combination with venetoclax, we did not see an efficacy signal that would warrant continuation of the study. Accordingly, no further patients will be enrolled in this study. We are currently evaluating future studies for fimepinostat.
- CA-170, a small molecule antagonist of VISTA and PDL1, for which we announced initial data from a clinical study in patients with mesothelioma in conjunction with the Society of Immunotherapy of Cancer conference in November 2019. Based on this data, no further patients will be enrolled in the study. We are currently evaluating future studies for CA-170.
- CA-327, a small molecule antagonist of PDL1 and TIM3, is a pre-IND, stage oncology drug candidate.

We are party to a collaboration with Genentech Inc., or Genentech, a member of the Roche Group, under which F. Hoffmann-La Roche Ltd, or Roche and Genentech are commercializing Erivedge® (vismodegib), a first-in-class orally administered small molecule Hedgehog signaling pathway antagonist. Erivedge is approved for the treatment of advanced basal cell carcinoma, or BCC.

In January 2015, we entered into an exclusive collaboration agreement with Aurigene Discovery Technologies Limited, or Aurigene, for the discovery, development and commercialization of small molecule compounds in the areas of immuno-oncology and precision oncology, which was amended in September 2016 and February 2020. As of December 31, 2021, we have licensed four programs under the Aurigene collaboration, including emavusertib (CA-4948).

In addition, we are party to an option and license agreement with ImmuNext. Pursuant to the terms of the option and license agreement, we have an option, exercisable for a specified period as set forth in the option and license agreement to obtain an exclusive license to develop and commercialize certain VISTA antagonizing compounds, including ImmuNext's lead compound, CI-8993, and products containing these compounds in the field of oncology.

Based on our clinical development plans for our pipeline, we intend to predominantly focus our available resources on the continued development of emavusertib (CA-4948), in collaboration with Aurigene, and CI-8993, in collaboration with ImmuNext, in the near term.

Liquidity

Since our inception, we have funded our operations primarily through private and public placements of our equity securities, license fees, contingent cash payments, research and development funding from our corporate collaborators, debt

financings and the monetization of certain royalty rights. We have never been profitable on an annual basis and have an accumulated deficit of $1.1 billion as of December 31, 2021. For the year ended December 31, 2021, we incurred a loss of $45.4 million and used $37.6 million of cash in operations. We expect to continue to generate operating losses in the foreseeable future. We anticipate that our $139.8 million of existing cash, cash equivalents and investments at December 31, 2021 should enable us to maintain our planned operations for the next 12 months and into 2024. We have based this assessment on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect.

We will need to generate significant revenues to achieve profitability, and do not expect to achieve profitability in the foreseeable future, if at all. If sufficient funds are not available, we will have to delay, reduce the scope of, or eliminate some of our research and development programs, including related clinical trials and operating expenses, potentially delaying the time to market for or preventing the marketing of any of our product candidates, which could adversely affect our business prospects and our ability to continue our operations, and would have a negative impact on our financial condition and ability to pursue our business strategies. In addition, we may seek to engage in one or more strategic alternatives, such as a strategic partnership with one or more parties, the licensing, sale or divestiture of some of our assets or proprietary technologies or the sale of our company, but there can be no assurance that we would be able to enter into such a transaction or transactions on a timely basis or on terms favorable to us, or at all.

COVID-19 Pandemic

The continuing COVID-19 pandemic has caused many governments to implement measures to slow the spread of the pandemic through quarantines, strict travel restrictions, heightened border scrutiny, and other measures. The pandemic and government measures taken in response have had a significant impact, both direct and indirect, on businesses and commerce. While the COVID-19 pandemic has had adverse effects on our business and we expect the pandemic to have an adverse effect on our business, financial conditions and results of operations in the future, we are unable to predict the extent or nature of the future progression of the COVID-19 pandemic or its effects on our business and operations at this time.

We have enrolled, and will seek to enroll, cancer patients in clinical trials at sites located both in the United States and internationally. Many of our clinical trial sites have imposed restrictions as a result of the COVID-19 pandemic, which have had and may continue to have a negative impact on our ability to conduct our clinical trials. We have encountered and may continue to face difficulties recruiting and retaining patients in our ongoing and planned clinical trials to the extent patients are affected by the virus or are fearful of visiting or traveling to our clinical trial sites because of the pandemic. In addition, we do not currently know the duration or to what degree medical facilities, including our clinical trial sites, will continue to be impacted by the pandemic. For example, all of our clinical trial sites for our ongoing TakeAim Lymphoma study of emavusertib (CA-4948) are at large academic research hospitals that have imposed restrictions on entry which have in some instances prohibited, and in other instances may potentially prohibit in the future, clinical trial monitors and patients from entering the trial sites. We are actively working with our clinical trial sites to follow FDA guidelines for conducting clinical trials during the COVID-19 pandemic, including performing remote monitoring to the extent possible and arranging for the shipment of medicine directly from the clinical trial site to patients who are enrolled in our trials, if required; however, there is no assurance such arrangements will be successful. As a result, further enrollment in our ongoing TakeAim Lymphoma study of emavusertib (CA-4948) has been delayed and may continue to be delayed and patients currently enrolled in the trial may cease treatment due to the restrictions described above or fear of visiting or inability to visit our trial sites. As a result, enrollment in this trial has been slower than expected and the timeline of this trial has been delayed and may continue to be delayed. In addition, in July 2020, we commenced enrollment in our TakeAim Leukemia study of emavusertib (CA-4948). Clinical trial sites for this study have also imposed and may continue to impose restrictions similar to those described above. As a result, we may not be able to enroll this trial on our planned timeline, which would cause a delay in the overall timeline for this trial. Similarly, enrollment in and the overall timeline of our combination study of emavusertib (CA-4948) and ibrutinib, for which we commenced enrollment in February 2021, and our Phase 1 clinical trial for CI-8993, for which we commenced enrollment in September 2020, have been delayed and may continue to be delayed due to the factors discussed above. To the extent clinical trial sites are slowed down or closed to enrollment in our ongoing and planned clinical trials, this could also have a material adverse impact on our clinical trial plans and timelines. These restrictions may also impact our ability to collect patient data in a timely fashion. In addition, we do not know whether and to what extent potential exposure to COVID-19 of patients in our clinical trials could impact the efficacy of emavusertib (CA-4948) or CI-8993. The response to the COVID-19 pandemic may redirect resources of regulators in a way that would adversely impact our ability to progress regulatory approvals. In addition, we may face impediments to regulatory meetings and approvals relating to our clinical trials due to measures intended to limit in-person interactions.

We and our collaborators, third-party contract manufacturers, contract research organizations and clinical sites may experience delays or disruptions in supply and release of product candidates and/or procuring items that are essential for our research and development activities, including, for example, raw materials used in the manufacturing of our product candidates, basic medical and laboratory supplies used in our clinical trials or preclinical studies or animals that are used for preclinical testing, in each case, for which there may be shortages or supply chain disruptions as a result of the pandemic. While we

believe that we currently have sufficient supply of our product candidates to continue our ongoing clinical trials, shortages and global supply chain disruptions could make it difficult to obtain, or cause us to be delayed in obtaining, some of our product candidates, or materials contained therein, especially when such materials come from facilities located in areas particularly impacted by COVID-19. With shortages of supplies and continuing supply chain disruptions, we may be subject to inflationary costs and experience price increases for goods and services that we rely on. In addition, any disruptions could impact the supply, manufacturing or distribution of Erivedge, and sales of Erivedge may be negatively impacted by a decrease in new prescriptions as a result of a decline in patient medical visits due to the COVID-19 pandemic, which has had and could continue to have a negative impact on the amount and timing of any royalty revenue we may receive from Genentech related to Erivedge. There is no guarantee that the COVID-19 pandemic, or any potential future outbreak, would not impact our supply chain, which could have a material adverse impact on our clinical trial plans and business operations.

We also experienced delays in closing down our clinical trial sites related to our fimepinostat and CA-170 trials due to restrictions on non-essential workers imposed at those sites in response to COVID-19, which delayed the winding down of these trials.

Any negative impact that the COVID-19 pandemic has on the ability of our suppliers to provide materials for our product candidates or on recruiting or retaining patients in our clinical trials could cause costly delays to clinical trial activities, which could adversely affect our ability to obtain regulatory approval for and to commercialize our product candidates, increase our operating expenses, and have a material adverse effect on our financial results. Additionally, the pandemic has already caused significant disruptions in the financial markets, and may continue to cause such disruptions, which could impact our ability to raise additional funds and has also impacted, and may continue to impact, the volatility of our stock price and trading in our stock. Moreover, the pandemic has significantly impacted economies worldwide, which could result in adverse effects on our business and operations. We cannot be certain what the overall impact of the COVID-19 pandemic will be on our business and it has had and may continue to have an adverse effect on our business, financial condition, results of operations, and prospects.

Key Drivers

We believe that near term key drivers to our success will include:

- our ability to successfully plan, finance and complete current and planned clinical trials for emavusertib (CA-4948) and CI-8993, as well as for such clinical trials to generate favorable data; and
- our ability to raise additional financing, when required, to fund operations.

In the longer term, a key driver to our success will be our ability, and the ability of any current or future collaborator or licensee, to successfully develop and commercialize drug candidates.

Our Collaborations and License Agreements

Our current collaborations and license agreements are summarized below and detailed in the Business section of this Annual Report on Form 10-K. See "Business—Collaborations and License Agreements."

Aurigene

Our exclusive collaboration agreement, as amended, with Aurigene provides for the discovery, development and commercialization of small molecule compounds in the areas of immuno-oncology and selected precision oncology targets. As of December 31, 2021, we have four licensed programs, including emavusertib (CA-4948).

Under the collaboration agreement, as amended, Aurigene granted us an option to obtain exclusive, royalty-bearing licenses to relevant Aurigene technology to develop, manufacture and commercialize products containing certain of such compounds anywhere in the world, except for India and Russia, which are territories retained by Aurigene. Under the terms of the amended collaboration agreement, Aurigene also obtains rights to develop and commercialize CA-170 in Asia.

For each of the current four licensed programs, we have remaining unpaid or unwaived payment obligations of $42.5 million per program, related to regulatory approval and commercial sales milestones, plus specified additional payments for approvals for additional indications, if any.

We have agreed to pay Aurigene tiered royalties on our and our affiliates' annual net sales of products at percentage rates ranging from the high single digits up to 10%, subject to specified reductions. In addition, we have agreed to make certain payments to Aurigene upon our entry into sublicense agreements on any program(s).

ImmuNext License Agreement

In January 2020, we entered into an option and license agreement with ImmuNext, or the ImmuNext Agreement. Under the terms of the ImmuNext Agreement, we agreed to engage in a collaborative effort with ImmuNext, and to conduct a Phase 1 clinical trial of an ImmuNext compound that antagonizes VISTA. We are conducting this Phase 1 clinical trial with respect to CI-8993. In exchange, ImmuNext granted us an exclusive option, exercisable until the earlier of (a) four years after January 6, 2020 and (b) 90 days after database lock for the first Phase 1 trial in which the endpoints are satisfied, or the Option Period, to obtain an exclusive, worldwide license to develop and commercialize certain VISTA antagonizing compounds and products containing these compounds in the field of oncology.

In January 2020, we paid $1.3 million as an upfront fee to ImmuNext. In addition, if we exercise the option, we will pay ImmuNext an option exercise fee of $20.0 million. ImmuNext will be eligible to receive up to $4.6 million in potential development milestones, up to $84.3 million in potential regulatory approval milestones, and up to $125.0 million in potential sales milestone payments from us. ImmuNext is also eligible to receive tiered royalties on annual net sales on a product-by-product and country-by-country basis, at percentage rates ranging from high single digits to low double digits, subject to specified adjustments.

Genentech Hedgehog Signaling Pathway Collaboration Agreement

In 2003, we entered into a collaborative research, development and license agreement with Genentech, which we refer to as the collaboration agreement.

Under the terms of our collaboration agreement with Genentech, we granted Genentech an exclusive, global, royalty-bearing license, with the right to sublicense, to make, use, sell and import molecules capable of inhibiting the Hedgehog signaling pathway (including small molecules, proteins and antibodies) for human therapeutic applications, including cancer therapy. Genentech subsequently granted a sublicense to Roche for non-U.S. rights to Erivedge, other than in Japan where such rights are held by Chugai. Genentech and Roche are responsible for worldwide clinical development, regulatory affairs, manufacturing and supply, formulation, and sales and marketing.

We are eligible to receive up to an aggregate of $115.0 million in contingent cash milestone payments, exclusive of royalty payments, in connection with the development of Erivedge or another small molecule Hedgehog pathway inhibitor, assuming the successful achievement by Genentech and Roche of specified clinical development and regulatory objectives. Of this amount, we have received $59.0 million to date.

In addition to the contingent cash milestone payments, our wholly owned subsidiary, Curis Royalty, is entitled to a royalty on net sales of Erivedge that ranges from 5% to 7.5% based upon global Erivedge sales by Roche and Genentech. We recognized $10.7 million of royalty revenue from Genentech's net sales of Erivedge during the year ended December 31, 2021, and have recognized an aggregate of $80.1 million in royalty revenues since Erivedge was approved.

As a result of our licensing agreements with various universities, we are obligated to make payments to university licensors on royalties that Curis Royalty earns in all territories. Cost of royalty revenues were $0.5 million during the year ended December 31, 2021 and we have paid an aggregate of $4.1 million to university licensors since Erivedge was approved.

The Leukemia & Lymphoma Society

In November 2011, we entered into an agreement with Leukemia and Lymphoma Society, or LLS, pursuant to which LLS agreed to provide us with up to $4.0 million in payments to support our ongoing development of fimepinostat, subject to the achievement of specified milestones.

In August 2015, we entered into an amendment of the November 2011 agreement with LLS. Under the amendment, LLS agreed to provide advisory services regarding both the fimepinostat and IRAK4 programs, and LLS is no longer obligated to make further milestone payments related to ongoing clinical development of fimepinostat.

We agreed to make up to $1.7 million in future payments to LLS, which represents the aggregate payments previously received from LLS under the November 2011 agreement, pursuant to achievement of certain objectives, including a licensing, sale, or other similar transaction, as well as regulatory and commercial objectives, in each case related to the fimepinostat program in hematological malignancies. However, if fimepinostat does not meet its clinical safety endpoints in clinical trials in the defined field, or fails to obtain necessary regulatory approvals, all funding provided to us by LLS will be considered a non-refundable grant.

Financial Operations Overview

General. Our future operating results will largely depend on the progress of drug candidates currently in our research and development pipeline. The results of our operations will vary significantly from year to year and quarter to quarter and depend on, among other factors, the cost and outcome of any preclinical development or clinical trials then being conducted. For a discussion of our liquidity and funding requirements, see "Liquidity" and "Liquidity and Capital Resources - Funding Requirements."

Debt. In March 2017, we and Curis Royalty entered into a credit agreement with HealthCare Royalty, collateralized with certain future Erivedge royalty and royalty related payment streams. Pursuant to the credit agreement, HealthCare Royalty made a $45.0 million loan at an annual interest rate of 9.95% to Curis Royalty, with the net proceeds distributed to us as sole equity holder of Curis Royalty. In March 2019, we terminated and repaid the outstanding principal and interest of $35.8 million that was due under the loan.

In April 2020, we entered into a promissory note evidencing an unsecured $0.9 million loan, or the PPP Loan, under the Paycheck Protection Program, or PPP, of the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act as administered by the U.S. Small Business Administration, or the SBA. The PPP Loan was made by Silicon Valley Bank and had a term of 24-months and an interest rate of 1%. Under the terms of the CARES Act and the Paycheck Protection Program Flexibility Act of 2020, PPP Loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. We applied for such forgiveness in 2020 and received notification in June 2021 that the SBA had forgiven the PPP Loan in full, including interest accrued on the PPP Loan. During the year ended December 31, 2021, the Company recorded a gain of $0.9 million to Other income (expense), net for extinguishment of the debt. As of December 31, 2020, the Company recorded short- and long-term debt related to the PPP Loan of $0.6 million and $0.3 million, respectively.

Liability Related to the Sale of Future Royalties. In connection with the termination and repayment in full of the loan with HealthCare Royalty, the Company and Curis Royalty entered into the royalty interest purchase agreement, or Oberland Purchase Agreement, with entities managed by Oberland Capital Management, LLC, or the Purchasers. Upon closing of the Oberland Purchase Agreement, Curis Royalty received an upfront purchase price of $65.0 million from the Purchasers, approximately $33.8 million of which was used to pay off the remaining loan principal to HealthCare Royalty, and $3.7 million of which was used to pay transaction costs, including $3.4 million to HealthCare Royalty in accrued and unpaid interest and prepayment fees under the loan, resulting in net proceeds of $27.5 million. Curis Royalty will also be entitled to receive milestone payments of $53.5 million if the Purchasers receive payments pursuant to the Oberland Purchase Agreement in excess of $117.0 million on or prior to December 31, 2026, which milestone payments may each be paid, at the option of the Purchasers, in a lump sum in cash or out of the Purchaser's portion of future payments under the Oberland Purchase Agreement. For further discussion of the Oberland Purchase Agreement, see "Liquidity and Capital Resources – Royalty Interest Purchase Agreement".

Revenue. We do not expect to generate any revenues from our direct sale of products for several years, if ever. Substantially all of our revenues to date have been derived from license fees, research and development payments, and other amounts that we have received from our strategic collaborators and licensees, including royalty payments. Since the first quarter of 2012, we have recognized royalty revenues related to Genentech's sales of Erivedge and we expect to continue to recognize royalty revenue in future quarters from Genentech's sales of Erivedge in the U.S. and Roche's sales of Erivedge outside of the U.S. However, a portion of our royalty and royalty-related revenues under our collaboration with Genentech will be paid to the Purchasers, pursuant to the Oberland Purchase Agreement. The Oberland Purchase Agreement will terminate upon the earlier to occur of (i) the date on which Curis Royalty's rights to receive the Purchased Receivables owed by Genentech under the Genentech collaboration agreement have terminated in their entirety and (ii) the date on which payment in full of the put/call price is received by the Purchasers pursuant to the Purchasers' exercise of their put option or Curis Royalty's exercise of its call right. For additional information regarding the terms and termination provisions of this agreement, see Note 9, "Liability Related to the Sale of Future Royalties," to our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this annual report on Form 10-K.

We could receive additional milestone payments from Genentech, provided that contractually specified development and regulatory objectives are met. Also, we could receive milestone payments from the Purchasers, provided that contractually specified royalty payment amounts are met within applicable time periods. Our only source of revenues and/or cash flows from operations for the foreseeable future will be royalty payments that are contingent upon the continued commercialization of Erivedge under our collaboration with Genentech, and contingent cash payments for the achievement of clinical, development and regulatory objectives, if any, that are met, under our collaboration with Genentech. Our receipt of additional payments under our collaboration with Genentech cannot be assured, nor can we predict the timing of any such payments, as the case may be.

Cost of Royalty Revenues. Cost of royalty revenues consists of all expenses incurred that are associated with royalty revenues that we record as revenues in our consolidated statements of operations and comprehensive loss. These costs currently consist of payments we are obligated to make to university licensors on royalties that Curis Royalty receives from Genentech on net sales of Erivedge. Our obligation is equal to 5% of the royalty payments that we receive from Genentech for a period of 10 years from the first commercial sale of Erivedge, which occurred in February 2012 in the U.S.

Research and Development. Research and development expense consists of costs incurred to develop our drug candidates. These expenses consist primarily of:

- salaries and related expenses for personnel, including stock-based compensation expense;
- costs of conducting clinical trials, including amounts paid to clinical centers, clinical research organizations and consultants, among others;
- other outside service costs including costs of contract manufacturing;
- sublicense payments;
- the costs of supplies and reagents;
- occupancy and depreciation charges;
- certain payments that we make to Aurigene and ImmuNext under our collaboration agreements, including, for example, option exercise fees and milestone payments; and
- payments that we are obligated to make to certain third-party university licensors upon our receipt of payments from Genentech related to the achievement of clinical development and regulatory objectives under our collaboration agreement.

We expense research and development costs as incurred. We are currently incurring research and development costs under our Hedgehog signaling pathway antagonist collaboration with Genentech related to the maintenance of third-party licenses to certain background technologies.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages, primarily due to the increased size and duration of later-stage clinical trials. As a result, we expect that our research and development expenses will increase substantially over the next several years as we conduct our clinical trials of emavusertib (CA-4948) and CI-8993; prepare regulatory filings for our product candidates; continue to develop additional product candidates; and potentially advance our product candidates into later stages of clinical development.

The successful development and commercialization of our product candidates is highly uncertain. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the preclinical and clinical development of any of our product candidates. This uncertainty is due to the numerous risks and uncertainties associated with product development and commercialization, including the uncertainty of:

- our ability to successfully enroll our current and future clinical trials and our ability to initiate future clinical trials, which has been and may continue to be negatively impacted by the COVID-19 pandemic and responsive measures relating thereto;
- the scope, quality of data, rate of progress and cost of clinical trials and other research and development activities undertaken by us or our collaborators;
- the results of future preclinical studies and clinical trials;
- the cost and timing of regulatory approvals and maintaining compliance with regulatory requirements;
- the cost and timing of establishing sales, marketing and distribution capabilities;
- the cost of establishing clinical and commercial supplies of our drug candidates and any products that we may develop;
- the effect of competing technological and market developments; and
- the cost and effectiveness of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

Any changes in the outcome of any of these variables with respect to the development of our product candidates could mean a significant change in the costs and timing associated with the development of these product candidates. For example, if the FDA or another regulatory authority were to delay our clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time to complete clinical development of that product candidate. We may never obtain regulatory approval for any of our product candidates. Drug commercialization will take several years and millions of dollars in development costs.

A further discussion of some of the risks and uncertainties associated with completing our research and development programs on schedule, or at all, and some consequences of failing to do so, are set forth under "Part I, Item 1A —Risk Factors."

General and Administrative. General and administrative expense consists primarily of salaries, stock-based compensation expense and other related costs for personnel in executive, finance, accounting, business development, legal, information technology, corporate communications and human resource functions. Other costs include facility costs not otherwise included in research and development expense, insurance, and professional fees for legal, patent and accounting services. Patent costs include certain patents covered under collaborations, a portion of which is reimbursed by collaborators and a portion of which is borne by us.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States requires that we make estimates and assumptions that affect the reported amounts and disclosure of certain assets and liabilities at our balance sheet date. Such estimates and judgments include the carrying value of property and equipment and intangible assets, revenue recognition, the value of certain liabilities, debt classification and stock-based compensation. We base our estimates on historical experience and on various other factors that we believe to be appropriate under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 2 of our consolidated financial statements included in this report, we believe that the following accounting policies are critical to understanding the judgments and estimates we use in preparing our financial statements:

Revenue Recognition

Our business strategy includes entering into collaborative license and development agreements with biotechnology and pharmaceutical companies for the development and commercialization of our drug candidates. The terms of the agreements typically include non-refundable license fees, funding of research and development, payments based upon achievement of clinical development and regulatory objectives, and royalties on product sales.

Royalty Revenue. Since the first quarter of 2012, we have recognized royalty revenues related to Genentech's and Roche's sales of Erivedge. For arrangements that include sales based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, we recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). We expect to continue recognizing royalty revenue from Genentech's sales of Erivedge in the U.S. and in other markets where Genentech and Roche successfully obtain marketing approval, if any (see Note 11). However, a portion of Erivedge royalties will be paid to the Purchasers under the Oberland Purchase Agreement (see Note 9).

Stock-Based Compensation

We account for stock-based compensation transactions using a grant-date fair-value based method under FASB Codification Topic 718, *Compensation—Stock Compensation*.

We have recorded employee and director stock-based compensation expense of $5.3 million, $2.7 million, and $2.7 million for the years ended December 31, 2021, 2020, and 2019 respectively.

We measure compensation cost for stock-based compensation at fair value, including our estimate of forfeitures, and recognize the expense as compensation expense over the period that the recipient is required to provide service in exchange for the award, which generally is the vesting period. We use the Black-Scholes option pricing model to measure the fair value of stock options. This model requires significant estimates related to the award's expected life and future stock price volatility of the underlying equity security. In determining the amount of expense to be recorded, we estimate forfeiture rates for awards,

based on the probability that employees will complete the required service period. We estimate the forfeiture rate based on historical experience. If actual forfeitures differ significantly from our estimates, additional adjustments to compensation expense may be required in future periods. Ultimately, the actual expense recognized over the vesting period will only be for those shares that vest.

Liability Related to the Sale of Future Royalties

As a result of the obligation to pay future royalties to Oberland, we recorded the proceeds from this transaction as a liability on our Consolidated Balance Sheet that will be accounted for using the interest method over the estimated life of the Oberland Purchase Agreement. As a result, we impute interest on the transaction and record imputed interest expense at the estimated interest rate. Our estimate of the interest rate under the agreement is based on the amount of royalty payments expected to be received by Oberland over the life of the arrangement. We periodically assess the expected royalty payments to Curis Royalty from Genentech using a combination of historical results and forecasts from market data sources. To the extent such payments are greater or less than the initial estimates or the timing of such payments is materially different than the original estimates, we will adjust the amortization of the liability.

Our discussion of our critical accounting policies is not intended to be a comprehensive discussion of all of our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles, with no need for management's judgment in their application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result.

Results of Operations (all amounts rounded to the nearest thousand)

Years Ended December 31, 2021 and December 31, 2020

The following table summarizes our results of operations for the years ended December 31, 2021 and December 31, 2020:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)
	2021	2020	2021 v. 2020
Revenues	$ 10,649	$ 10,835	(2) %
Cost of royalty revenues	533	534	<1%
Research and development	34,884	23,068	51 %
General and administrative	17,297	12,131	43 %
Total other expense, net	3,371	5,010	(33) %
Net loss	$ (45,436)	$ (29,908)	52 %

Revenues

Total revenues are summarized as follows:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)
	2021	2020	2021 v. 2020
Royalties	$ 10,749	$ 10,724	<1%
Other revenue	1	214	(100) %
Contra revenue, net	(101)	(103)	(2) %
Total revenues, net	$ 10,649	$ 10,835	(2) %

Total revenues decreased by $0.2 million, or 2%, to $10.6 million for the year ended December 31, 2021 as compared to $10.8 million for the year ended December 31, 2020, primarily related to a decrease in Erivedge royalties.

Cost of Royalty Revenues. Cost of royalty revenues remained consistent at $0.5 million for the years ended December 31, 2021 and 2020. These amounts primarily relate to payments to university licensors on royalties that Curis Royalty earns on Genentech's net sales of Erivedge.

Research and Development Expenses. Research and development expenses are summarized as follows:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)
	2021	2020	2021 v. 2020
Direct research and development expenses	$ 20,253	$ 14,746	37 %
Employee-related expenses	12,647	6,418	97 %
Facilities, depreciation and other expenses	1,984	1,904	4 %
Total research and development expenses	$ 34,884	$ 23,068	51 %

Research and development expenses increased by $11.8 million, or 51%, to $34.9 million for the year ended December 31, 2021, as compared to $23.1 million for the prior year. Direct research and development expenses increased by $5.5 million for the year ended December 31, 2021 as compared to the prior year period primarily due to increased clinical and manufacturing costs for our programs. The increase in costs is partially offset by a $1.3 million upfront license fee expense from our option and license agreement with ImmuNext that occurred during the first quarter of 2020. Additionally, employee related costs increased by $6.2 million, primarily attributable to increased stock compensation and personnel costs as a result of additional headcount.

We expect that a majority of our research and development expenses for the foreseeable future will be incurred in connection with our efforts to advance our programs, including clinical and preclinical development costs, manufacturing, option exercise fees, and potential payments upon achievement of certain milestones.

General and Administrative Expenses. General and administrative expenses are summarized as follows:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)
	2021	2020	2021 v. 2020
Personnel	$ 5,577	$ 4,325	29 %
Occupancy and depreciation	617	695	(11) %
Legal services	2,462	2,218	11 %
Professional and consulting services	3,009	1,621	86 %
Insurance costs	1,021	518	97 %
Stock-based compensation	3,435	1,967	75 %
Other general and administrative expenses	1,176	787	49 %
Total general and administrative expenses	$ 17,297	$ 12,131	43 %

General and administrative expenses increased by $5.2 million, or 43%, to $17.3 million for the year ended December 31, 2021, as compared to $12.1 million for the prior year. The increase in general administrative expense was driven primarily by higher costs for stock-based compensation, professional and consulting services, personnel, and insurance as compared to the prior year.

Other Expense

Other expense, net, was $3.4 million for the year ended December 31, 2021, as compared to $5.0 million for the same period in 2020. Net other expense for the year ended December 31, 2021 primarily consisted of $4.5 million of imputed interest expense related to future royalty payments, partly offset by $0.9 million related to the gain on the forgiveness of the PPP loan and $0.2 million of interest income. Net other expense for the year ended December 31, 2020 primarily consisted of $5.1 million of imputed interest expense related to future royalty payments, partially offset by $0.1 million of interest income.

As a result of the foregoing, we incurred a net loss of $45.4 million for the year ended December 31, 2021 and $29.9 million for the year ended December 31, 2020.

Years Ended December 31, 2020 and December 31, 2019

The following table summarizes our results of operations for the years ended December 31, 2020 and December 31, 2019:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)	
	2020	2019	2020 v. 2019	
Revenues	$ 10,835	$ 10,004	8	%
Cost of royalty revenues	534	503	6	%
Research and development	23,068	22,302	3	%
General and administrative	12,131	11,555	5	%
Total other expense, net	5,010	7,785	(36)	%
Net loss	$ (29,908)	$ (32,141)	(7)	%

Revenues

Total revenues are summarized as follows:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)	
	2020	2019	2020 v. 2019	
Royalties	$ 10,724	$ 10,418	3	%
Other revenue	214	—		n/a
Contra revenue, net	(103)	(414)	(75)	%
Total revenues, net	$ 10,835	$ 10,004	8	%

Total revenues increased by $0.8 million, or 8%, to $10.8 million for the year ended December 31, 2020 as compared to $10.0 million for the year ended December 31, 2019, primarily related to a decrease in the reserve for contractual royalty reductions arising from Genentech and Roche's net sales of Erivedge. Other revenue related to sub-license revenues earned in 2020.

Cost of Royalty Revenues. Cost of royalty revenues remained consistent at $0.5 million for the years ended December 31, 2020 and 2019. These amounts primarily relate to payments to university licensors on royalties that Curis Royalty earns on Genentech's net sales of Erivedge.

Research and Development Expenses. Research and development expenses are summarized as follows:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)	
	2020	2019	2020 v. 2019	
Direct research and development expenses	$ 14,746	$ 15,011	(2)	%
Employee-related expenses	6,418	5,629	14	%
Facilities, depreciation and other expenses	1,904	1,662	15	%
Total research and development expenses	$ 23,068	$ 22,302	3	%

Our total research and development expenses increased by $0.8 million, or 3%, to $23.1 million for the year ended December 31, 2020, as compared to $22.3 million for the prior year. Direct research and development expenses decreased by $0.3 million for the year ended December 31, 2020 as compared to the prior year period primarily due to reduced clinical and manufacturing costs for CA-170 and fimepinostat, partially offset by $2.3 million in costs related to our option and license agreement with ImmuNext and increased clinical and manufacturing costs for emavusertib (CA-4948) and CI-8993.

We expect that a majority of our research and development expenses for the foreseeable future will be incurred in connection with our efforts to advance our programs, including clinical and preclinical development costs, manufacturing, option exercise fees, and potential payments upon achievement of certain milestones.

General and Administrative Expenses. General and administrative expenses are summarized as follows:

	For the Year Ended December 31,		Percentage Increase/ (Decrease)
	2020	2019	2020 v. 2019
Personnel	$ 4,325	$ 3,705	17 %
Occupancy and depreciation	695	580	20 %
Legal services	2,218	2,020	10 %
Professional and consulting services	1,621	1,842	(12) %
Insurance costs	518	453	14 %
Stock-based compensation	1,967	2,083	(6) %
Other general and administrative expenses	787	872	(10) %
Total general and administrative expenses	$ 12,131	$ 11,555	5 %

General and administrative expenses increased by $0.6 million, or 5%, for the year ended December 31, 2020 as compared to the prior year. The increase in general administrative expense was driven primarily by an increase in personnel, legal and occupancy related costs as compared to 2019. These increases were partially offset by a reduction in stock-based compensation expense, professional and consulting fees and other expenses as compared to 2019.

Other Expense

Other expense, net, was $5.0 million for the year ended December 31, 2020, as compared to $7.8 million for the same period in 2019. Net other expense for the year ended December 31, 2020 primarily consisted of $5.1 million of imputed interest expense related to future royalty payments, partially offset by $0.1 million of interest income. Net other expense for the year ended December 31, 2019 primarily included a loss on extinguishment of debt of $3.5 million and imputed interest expense of $4.1 million.

As a result of the foregoing, we incurred a net loss of $29.9 million for the year ended December 31, 2020 and $32.1 million for the year ended December 31, 2019.

Liquidity and Capital Resources

We have financed our operations primarily through private and public placements of our equity securities, license fees, contingent cash payments and research and development funding from our corporate collaborators, debt financings, and the monetization of certain royalty rights. See “Funding Requirements” and Note 1 “Nature of Business” for a further discussion of our liquidity.

At December 31, 2021, our principal sources of liquidity consisted of cash, cash equivalents, and investments of $139.8 million, excluding our restricted cash of $0.7 million. Our cash and cash equivalents are highly liquid investments with a maturity of three months or less at date of purchase. Our investments short and long-term primarily include commercial paper and securities. We maintain cash balances with financial institutions in excess of insured limits.

Common Stock Purchase Agreement

In February 2020, we entered into a common stock purchase agreement, or the Purchase Agreement, for the sale of up to $30.0 million of our common stock with Aspire Capital Fund, LLC, or Aspire Capital. Under the terms of the Purchase Agreement, Aspire Capital made an initial investment of $3.0 million through the purchase of 2,693,965 shares of our common stock. In addition, Aspire Capital committed to purchase shares of our common stock, at our request from time to time during a 30-month period at prices based on the market price at the time of each sale, subject to specified terms and limitations. As consideration for Aspire Capital’s obligation under the Purchase Agreement, we issued 646,551 shares of our common stock to Aspire Capital as a commitment fee. We also entered into a registration rights agreement with Aspire Capital in connection with our entry into the Purchase Agreement setting forth our obligation to maintain an effective registration statement covering any shares of common stock sold or to be sold to Aspire Capital, subject to the terms of the registration rights agreement.

To date, we have received gross proceeds of $8.4 million from our sales of common stock to Aspire Capital and the remaining balance of common stock available to be sold pursuant to the Purchase Agreement is $21.6 million. The extent to which we utilize the Purchase Agreement with Aspire Capital as a source of funding will depend on a number of factors, including the prevailing market price of our common stock, the volume of trading in our common stock and the extent to which we are able to secure funds from other sources. The number of shares that we may sell to Aspire Capital under the Purchase Agreement on any given day and during the term of the agreement is subject to certain limitations and restrictions. We have the

right to sell up to 150,000 shares of common stock per day to Aspire Capital, which total may be increased by mutual agreement up to an additional 2,000,000 shares per day.

Pursuant to the Purchase Agreement, we will control the timing and amount of the further sale of our common stock to Aspire Capital. We plan to use the proceeds for general corporate purposes, including research and development, clinical trial activity and working capital. There are no restrictions on future financings and there are no financial covenants, participation rights, rights of first refusal, or penalties in the purchase agreement. We have the right to terminate the Purchase Agreement at any time without any additional cost or penalty.

Equity Offerings

In July 2015, we entered into a sales agreement with Cowen and Company, LLC, or Cowen, pursuant to which we could sell from time to time up to $30.0 million of our common stock through an "at-the-market" equity offering program, under which Cowen was to act as sales agent. We terminated this sales agreement in March 2020. As of the termination date, we had sold an aggregate of 420,796 shares of common stock pursuant to this sales agreement, for net proceeds of $6.2 million and no further sales may be made under this sales agreement.

In March 2020, we entered into a Capital on Demand™ Sales Agreement with JonesTrading Institutional Services LLC , or JonesTrading, to sell from time to time up to $30.0 million of our common stock through an "at the market offering" program under which JonesTrading acted as sales agent. We terminated this sales agreement effective as of December 9, 2020. We did not incur any termination penalties as a result of the termination. As of the effective date of the termination of this sales agreement, we had sold an aggregate of 6,298,648 shares of common stock under the sales agreement for aggregate gross proceeds of $8.3 million and net proceeds of $7.9 million, after deducting commissions and offering expenses. The $21.7 million of common stock that remained unsold under this sales agreement at the time of termination is no longer available.

In June 2020, we entered into a securities purchase agreement with certain institutional investors, pursuant to which we issued and sold, in a registered direct offering, an aggregate of 14,000,000 shares of our common stock at a purchase price per share of $1.25, for aggregate gross proceeds of $17.5 million, before deducting fees of approximately $1.0 million paid to the placement agent and other offering expenses of approximately $0.5 million paid by us. JonesTrading acted as the exclusive placement agent for the transaction, and we offered the shares pursuant to our universal shelf registration statement on Form S-3, or the 2018 Shelf, which was filed with the SEC on May 3, 2018 and declared effective by the SEC on May 17, 2018 (File No. 333-224627), and a prospectus supplement thereunder.

In December 2020, we completed an underwritten public offering of 29,500,000 shares of our common stock, including 3,847,826 shares issued and sold upon the exercise in full of the underwriters' option to purchase additional shares, at a public offering price of $5.75 per share, for aggregate gross proceeds of $169.6 million before deducting underwriting discounts and commissions and other offering expenses of $10.2 million. The securities in this transaction were offered pursuant to the 2018 Shelf and an additional registration statement on Form S-3 (File No. 333-251211) filed pursuant to Rule 462(b) which became automatically effective on December 9, 2020, and a prospectus supplement thereunder.

In March 2021, we entered into a Sales Agreement with Cantor Fitzgerald & Co., or Cantor, and JonesTrading Institutional Services LLC, or JonesTrading, to sell from time to time up to $100.0 million of our common stock through an "at the market offering" program under which Cantor and JonesTrading act as sales agents. To date, we have not made any sales of common stock pursuant to the sales agreement.

Debt Financing

In April 2020, we entered into a promissory note evidencing an unsecured $0.9 million loan, or the PPP Loan, under the Paycheck Protection Program, or PPP, of the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act as administered by the U.S. Small Business Administration, or the SBA. The PPP Loan was made by Silicon Valley Bank and had a term of 24-months and an interest rate of 1%. Under the terms of the CARES Act and the Paycheck Protection Program Flexibility Act of 2020, PPP Loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. We applied for such forgiveness in 2020 and received notification in June 2021 that the SBA had forgiven the PPP Loan in full, including interest accrued on the PPP Loan. During the year ended December 31, 2021, the Company recorded a gain of $0.9 million to Other income (expense), net for extinguishment of the debt.

Royalty Interest Purchase Agreement

In March 2019, we and Curis Royalty entered into the royalty interest purchase agreement, or Oberland Purchase Agreement with the Purchasers. We sold to the Purchasers a portion of our rights to receive royalties from Genentech on potential net sales of Erivedge.

As upfront consideration for the purchase of the royalty rights, at closing the Purchasers paid to Curis Royalty $65.0 million less certain transaction expenses. Curis Royalty will also be entitled to receive up to $53.5 million in milestone payments based on sales of Erivedge if the Purchasers receive payments pursuant to the Oberland Purchase Agreement in excess of $117.0 million on or prior to December 31, 2026. For further discussion please refer to Note 9 to our consolidated financial statements included in Part II, Item 8, "Liability Related to the Sale of Future Royalties."

Milestone Payments and Monetization of Royalty Rights

We began receiving royalty revenues in 2012 in connection with Genentech's sales of Erivedge in the U.S. and Roche's sales of Erivedge outside of the U.S. Erivedge royalty revenues received after December 2012 have been used to repay Curis Royalty's outstanding principal and interest under credit agreements. A portion of Erivedge royalty and royalty-related revenue payments will be paid to the Purchasers pursuant to the Oberland Purchase Agreement. We also remain entitled to receive any contingent payments upon achievement of clinical development objectives and royalty payments related to sales of Erivedge pursuant to our collaboration agreement with Genentech and certain contingent payments upon achievement of contractually specified royalty revenue payment amounts related to sales of Erivedge pursuant to the Oberland Purchase Agreement. Upon receipt of any such payments, as well as on royalties received, we are required to make payments to certain university licensors totaling 5% of these amounts.

Cash Flows

Cash flows for operations have primarily been used for salaries and wages for our employees, facility and facility-related costs for our office and laboratory, fees paid in connection with preclinical and clinical studies, laboratory supplies, consulting fees and legal fees. We expect that costs associated with clinical studies will increase in future periods.

Net cash used in operating activities of $37.6 million during the year ended December 31, 2021 was primarily the result of our net loss for the period of $45.4 million, partially offset by non-cash charges primarily consisting of $5.3 million in stock-based compensation. In addition, accounts payable and accrued and other liabilities increased $5.0 million, operating lease liability decreased $1.7 million, accounts receivable increased $0.2 million, and prepaid expenses and other assets increased $2.0 million.

Net cash used in operating activities of $25.7 million during the year ended December 31, 2020 was primarily the result of our net loss for the period of $29.9 million, partially offset by non-cash charges primarily consisting of $2.7 million in stock-based compensation. In addition, accounts payable and accrued and other liabilities increased $1.0 million, accounts receivable decreased $0.2 million related to an increase in fourth quarter 2020 Erivedge royalties and prepaid expenses and other assets increased $0.2 million.

Net cash used in operating activities of $26.2 million during the year ended December 31, 2019 was primarily the result of our net loss for the period of $32.1 million, partially offset by non-cash charges consisting of $2.7 million in stock-based compensation, $3.5 million related to the loss on extinguishment of debt, $1.0 million of non-cash lease expense, and $0.3 million of non-cash imputed interest expense related to the sale of future royalties. Accounts payable and accrued and other liabilities increased $0.1 million, accounts receivable increased $0.4 million related to an increase in fourth quarter Erivedge royalties, prepaid expenses and other assets increased $0.2 million and our operating lease liability reflected a decrease of $1.0 million following the adoption of ASC 842.

We expect to continue to use cash in operations as we seek to advance our drug candidates and our programs under our collaboration agreements with Aurigene and ImmuNext. In addition, in the future we may owe royalties and other contingent payments to our licensors based on the achievement of developmental milestones, product sales and other specified objectives.

Investing activities used cash of $47.9 million for the year ended December 31, 2021. These changes primarily resulted from net investment activity from purchases and sales or maturities of investments for those respective periods.

Investing activities used cash of $49.0 million for the year ended December 31, 2020. This change primarily resulted from net investment activity from purchases and sales or maturities of investments. The increase in purchases of investments resulted primarily from the investment of cash proceeds from the public offering of common stock in December 2020.

Investing activities used cash of $4.5 million for the year ended December 31, 2019. This change primarily resulted from net investment activity from purchases and sales or maturities of investments.

Financing activities used cash of $4.2 million for the year ended December 31, 2021. This was primarily due to payments related to the royalty interest purchase agreement with Oberland Capital.

Financing activities provided cash of $188.8 million for the year ended December 31, 2020. This was primarily due to the $159.4 million in net proceeds we received from the public offering of our common stock in December 2020, $16.0 million in net proceeds from our registered direct offering in June 2020, aggregate net proceeds of $8.1 million under our sales agreement with Aspire Capital, aggregate net proceeds of $7.9 million under our prior sales agreement with JonesTrading, aggregate net proceeds of $0.8 million from the issuance of common stock under our equity compensation plans and net proceeds of $0.9 million from the PPP Loan. In addition, we made payments of $4.3 million related to the royalty interest purchase agreement with Oberland Capital.

Financing activities provided cash of $23.3 million for the year ended December 31, 2019. This was primarily due to the $65.0 million in gross proceeds we received from Oberland Capital which was partially offset by $37.2 million in payments made to terminate our credit agreement with HealthCare Royalty Partners. For more information, see Note 9, “Liability Related to the Sale of Future Royalties,” to our consolidated financial statements included in Part II, Item 8, “Financial Statements and Supplementary Data,” of this annual report on Form 10-K. In addition, we made payments of $2.2 million related to the royalty interest purchase agreement with Oberland Capital and we made principal payments on Curis Royalty's loan with HealthCare Royalty of $1.8 million and received $0.1 million in proceeds from the sale of common stock related to our stock-based compensation plans.

Funding Requirements

We have incurred significant losses since our inception. As of December 31, 2021, we had an accumulated deficit of approximately $1.1 billion. We will require substantial funds to continue our research and development programs and to fulfill our planned operating goals. Our planned operating and capital requirements currently include the support of our current and future research and development activities for emavusertib (CA-4948) and CI-8993 as well as development candidates we have and continue to license under our collaborations with Aurigene and ImmuNext. We will require substantial additional capital to fund the further development of these programs, as well as to fund our general and administrative costs and expenses. Moreover, our agreements with collaborators impose significant potential financial obligations on us. For example, under our collaboration, license and option agreement with Aurigene, we are required to make milestone, royalty and option fee payments for discovery, research and preclinical development programs that will be performed by Aurigene, which impose significant potential financial obligations on us. In addition, if we choose to exercise our option under the option and license agreement with ImmuNext, or the ImmuNext Agreement, we will be required to make milestone, royalty, and option fee payments in connection with the development of CI-8993.

Based upon our current operating plan, we believe that our existing cash, cash equivalents and investments of $139.8 million as of December 31, 2021, should enable us to fund our operating expenses and capital expenditure requirements into 2024. We have based this assessment on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. If we are unable to obtain sufficient funding, we will be forced to delay, reduce in scope or eliminate some of our research and development programs, including related clinical trials and operating expenses, potentially delaying the time to market for, or preventing the marketing of, any of our product candidates, which could adversely affect our business prospects and our ability to continue operations, and would have a negative impact on our financial condition and our ability to pursue our business strategies. Our ability to raise additional funds will depend on financial, economic and market conditions, many of which are outside of our control, and we may be unable to raise financing when needed, or on terms favorable to us, or at all. Furthermore, high volatility in the capital markets resulting from the COVID-19 pandemic has had, and could continue to have, a negative impact on the price of our common stock, and could adversely impact our ability to raise additional funds. In addition, we may seek to engage in one or more strategic alternatives, such as a strategic partnership with one or more parties, the licensing, sale or divestiture of some of our assets or proprietary technologies or the sale of our company, but there can be no assurance that we would be able to enter into such a transaction or transactions on a timely basis or on terms favorable to us, or at all. Our failure to raise capital through a financing or strategic alternative as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. If we are unable to raise sufficient capital we would be unable to fund our operations and may be required to evaluate alternatives, which could include dissolving and liquidating our assets or seeking protection under the bankruptcy laws, and a determination to file for bankruptcy could occur at a time that is earlier than when we would otherwise exhaust our cash resources. If we decide to dissolve and liquidate our assets or to seek protection under the bankruptcy laws, it is unclear to what extent we would be able to pay our obligations, and, accordingly, it is further unclear whether and to what extent any resources would be available for distributions to stockholders.

Furthermore, there are a number of factors that may affect our future capital requirements and further accelerate our need for additional working capital, many of which are outside our control, including the following:

- unanticipated costs in our research and development programs;

- the timing and cost of obtaining regulatory approvals for our drug candidates and maintaining compliance with regulatory requirements;
- payments due to licensors, including Aurigene and ImmuNext if we exercise our option under the ImmuNext Agreement, for patent rights and technology used in our drug development programs;
- the costs of commercialization activities for any of our drug candidates that receive marketing approval, to the extent such costs are our responsibility, including the costs and timing of establishing drug sales, marketing, distribution and manufacturing capabilities;
- unplanned costs to prepare, file, prosecute, defend and enforce patent claims and other patent-related costs, including litigation costs and technology license fees;
- unexpected losses in our cash investments or an inability to otherwise liquidate our cash investments due to unfavorable conditions in the capital markets;
- impacts resulting from the COVID-19 pandemic and responsive actions relating thereto; and
- our ability to continue as a going concern.

To become and remain profitable, we, either alone or with collaborators, must develop and eventually commercialize one or more drug candidates with significant market potential. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of our drug candidates, obtaining marketing approval for these drug candidates, manufacturing, marketing and selling those drugs for which we may obtain marketing approval and satisfying any post marketing requirements. We may never succeed in these activities and, even if we do, may never generate revenues that are significant or large enough to achieve profitability. Other than Erivedge, which is being commercialized by Genentech and Roche, our most advanced drug candidates are currently only in early clinical testing.

For the foreseeable future, we will need to spend significant capital in an effort to develop and commercialize products and we expect to incur substantial operating losses. Our failure to become and remain profitable would, among other things, depress the market price of our common stock and could impair our ability to raise capital, expand our business, diversify our research and development programs or continue our operations.

Contractual Obligations

In December 2019, we entered into a seven-year operating lease for a 21,772 square foot real estate property that commenced in May 2020. The leased property is used for office, research and laboratory space and is located at 128 Spring Street. In addition to the base rent, we are responsible for our share of operating expenses and real estate taxes, in accordance with the terms of the lease agreement. The future minimum lease payments and related obligations under the agreement are $8.9 million over six years. In addition, our cash commitments for outside service obligations are $0.5 million over four years.

New Accounting Pronouncements

See Note 2 to our consolidated financial statements included in Part II, Item 8, “Financial Statements and Supplementary Data,” of this annual report on Form 10-K for a description of recent accounting pronouncements applicable to our business.

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, 2021, we had cash, cash equivalents and investments of $139.8 million, which consisted of U.S. Treasury securities, commercial paper, corporate debt and money market funds. To reduce the volatility relating to these exposures, we have put investment and risk management policies and procedures in place. The primary objective of our investment activities is to preserve capital to fund our operations. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Our investments are subject to interest rate risk and could fall in value if market interest rates increase. A hypothetical 10% relative change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, 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 and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our 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 evaluations 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.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making this assessment our management used the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO.

Based on our assessment, management concluded that, as of December 31, 2021, our internal control over financial reporting is effective based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by PricewaterhouseCoopers LLC, an independent registered public accounting firm, who has issued an attestation report on our internal control over financial reporting that appears herein.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, as such term is defined in Rules 13(a)-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, during the fourth quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Curis, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Curis, Inc. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, of stockholders' equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, 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 Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Liability Related to the Sale of Future Royalties

As described in Note 9 to the consolidated financial statements, the Company entered into a royalty interest purchase agreement ("Oberland Purchase Agreement") in 2019 with entities managed by Oberland Capital Management, LLC ("Oberland"). The Company sold to Oberland a portion of its rights to receive royalties from Genentech on potential net sales of Erivedge. As a result of the obligation to pay future royalties to Oberland, management recorded the proceeds from this transaction as a liability on its consolidated balance sheet that will be accounted for using the interest method over the estimated life of the Oberland Purchase Agreement. Management determined the fair value of the liability related to the sale of future royalties at the time of the Oberland Purchase Agreement to be $65.0 million. As of December 31, 2021, the liability related to the sale of future royalties was $53.8 million. The projected amount of royalty payments expected to be paid to Oberland involves the use of significant estimates and assumptions with respect to the revenue growth rate in the Company's projections of sales of Erivedge.

The principal considerations for our determination that performing procedures relating to the liability related to the sale of future royalties is a critical audit matter are the (i) high degree of auditor judgment and subjectivity in applying procedures relating to the fair value measurement of the liability due to the significant amount of judgment by management when developing the estimate and (ii) significant audit effort in evaluating the revenue growth rate and in evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to management's development of the fair value estimate of the liability related to the sale of future royalties. These procedures also included, among others, testing management's process for estimating the fair value of the liability related to the sale of future royalties and testing management's cash flow projections used to estimate the fair value of the liability. Testing management's process included evaluating the appropriateness of the valuation method, testing the completeness and accuracy of data provided by management, and evaluating the reasonableness of the revenue growth rate significant assumption. Evaluating the reasonableness of the revenue growth rate involved (i) testing historical royalty payments received from Genentech, (ii) confirming information and amounts directly with Genentech, including evaluating this information for consistency with the contractual terms of the agreement, and (iii) testing management's process for estimating future Erivedge sales by comparing prior period revenue estimates to actual revenue amounts based on payments received.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 24, 2022

We have served as the Company's auditor since 2002.

CURIS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
(In thousands, except share and per share data)

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 40,014	$ 129,610
Short-term investments	75,870	38,884
Accounts receivable	3,224	3,043
Prepaid expenses and other current assets	3,267	1,215
Total current assets	122,375	172,752
Long-term investments	23,964	14,564
Property and equipment, net	505	663
Restricted cash, long-term	726	816
Operating lease right-of-use asset	5,749	6,578
Goodwill	8,982	8,982
Other assets	—	3
Total assets	$ 162,301	$ 204,358
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 6,417	$ 4,166
Accrued liabilities	6,339	3,625
Current portion of operating lease liability	682	1,731
Current portion of long-term debt	—	557
Total current liabilities	13,438	10,079
Long-term operating lease liability	4,358	5,040
Liability related to the sale of future royalties, net	53,798	58,235
Long-term debt, net	—	334
Total liabilities	71,594	73,688
Commitments and contingencies, *Note 7*		
Stockholders' equity (deficit):		
Common stock, $0.01 par value—227,812,500 shares authorized, 91,645,369 shares issued and outstanding at December 31, 2021; 151,875,000 shares authorized, 91,502,461 shares issued and outstanding at December 31, 2020	916	915
Additional paid-in capital	1,182,225	1,176,647
Accumulated deficit	(1,092,325)	(1,046,889)
Accumulated other comprehensive loss	(109)	(3)
Total stockholders' equity	90,707	130,670
Total liabilities and stockholders' equity	$ 162,301	$ 204,358

The accompanying notes are an integral part of these consolidated financial statements.

CURIS, INC. AND SUBSIDIARIES

Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)

	Years Ended December 31,		
	2021	2020	2019
Revenues, net:			
Royalties	$ 10,749	$ 10,724	$ 10,418
Other revenue	1	$ 214	$ —
Contra revenue, net	(101)	(103)	(414)
Total revenues, net	10,649	10,835	10,004
Costs and expenses:			
Cost of royalties	533	534	503
Research and development	34,884	23,068	22,302
General and administrative	17,297	12,131	11,555
Total costs and expenses	52,714	35,733	34,360
Loss from operations	(42,065)	(24,898)	(24,356)
Other expense:			
Loss on debt extinguishment	—	—	(3,495)
Interest income	211	63	614
Imputed interest expense related to the sale of future royalties	(4,472)	(5,095)	(4,055)
Interest expense, debt	—	—	(791)
Other income (expense), net	890	22	(58)
Total other expense	(3,371)	(5,010)	(7,785)
Net loss	$ (45,436)	$ (29,908)	$ (32,141)
Net loss per common share (basic and diluted)	$ (0.50)	$ (0.61)	$ (0.97)
Weighted average common shares (basic and diluted)	91,569,154	48,670,381	33,180,516
Comprehensive loss:			
Unrealized net loss on marketable securities	(106)	(3)	—
Total comprehensive loss	$ (45,542)	$ (29,911)	$ (32,141)

The accompanying notes are an integral part of these consolidated financial statements.

CURIS, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity (Deficit)
(In thousands, except share data)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity (Deficit)
	Shares	Amount				
December 31, 2018	33,159,253	$ 332	$ 980,012	$ (984,840)	$ —	$ (4,496)
Issuances of common stock for purchases under the ESPP	91,013	—	68	—	—	68
Recognition of stock-based compensation	—	—	2,658	—	—	2,658
Cancellation of restricted stock awards	(8,473)	—	—	—	—	—
Net loss	—	—	—	(32,141)	—	(32,141)
Balance, December 31, 2019	33,241,793	$ 332	$ 982,738	$ (1,016,981)	$ —	$ (33,911)
Recognition of stock-based compensation	—	—	2,698	—	—	2,698
Issuances of common stock for purchases under the ESPP	80,544	—	58	—	—	58
Issuance of stock in connection with Aspire Capital Agreement, net of issuance costs	7,990,516	81	8,018	—	—	8,099
Issuance of shares in connection with Capital on Demand™ Sales Agreement, net of issuance costs	6,298,648	63	7,851	—	—	7,914
Issuance of stock under registered direct offering, net of issuance costs	14,000,000	140	15,825	—	—	15,965
Issuance of common stock under registration statement, net of issuance costs	29,500,000	295	158,736	—	—	159,031
Exercise of stock options	390,960	4	723	—	—	727
Unrealized loss on marketable securities	—	—	—	—	(3)	(3)
Net loss	—	—	—	(29,908)	—	(29,908)
December 31, 2020	91,502,461	$ 915	$ 1,176,647	$ (1,046,889)	$ (3)	$ 130,670
Recognition of stock-based compensation	—	—	5,279	—	—	5,279
Issuances of common stock for purchases under the ESPP	43,860	—	135	—	—	135
Exercise of stock options	99,048	1	164	—	—	165
Unrealized loss on marketable securities	—	—	—	—	(106)	(106)
Net loss	—	—	—	(45,436)	—	(45,436)
December 31, 2021	91,645,369	$ 916	$ 1,182,225	$ (1,092,325)	$ (109)	$ 90,707

The accompanying notes are an integral part of these consolidated financial statements.

CURIS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(In thousands)

	Years Ended December 31,		
	2021	**2020**	**2019**
Cash flows from operating activities:			
Net loss	$ (45,436)	$ (29,908)	$ (32,141)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	158	144	125
Non-cash lease expense	828	605	956
Stock-based compensation expense	5,279	2,698	2,658
Amortization of debt issuance costs	—	—	8
Non-cash imputed interest expense related to the sale of future royalties	36	45	287
Amortization of premiums and (discounts) on marketable securities	1,402	33	(64)
Gain on forgiveness of PPP loan	(890)	—	—
Loss on extinguishment of debt	—	—	3,495
Loss on disposal of fixed assets	—	24	29
Changes in operating assets and liabilities:			
Accounts receivable	(181)	201	(380)
Prepaid expenses and other assets	(2,049)	(153)	(237)
Accounts payable and accrued and other liabilities	4,965	1,000	60
Operating lease liability	(1,731)	(428)	(1,001)
Total adjustments	7,817	4,169	5,936
Net cash used in operating activities	(37,619)	(25,739)	(26,205)
Cash flows from investing activities:			
Purchases of investments	(93,125)	(53,449)	(11,465)
Sales and maturities of investments	45,230	5,078	7,050
Purchases of property and equipment	—	(677)	(41)
Net cash used in investing activities	(47,895)	(49,048)	(4,456)
Cash flows from financing activities:			
Proceeds from PPP Loan	—	891	—
Proceeds of Aspire Capital Agreement, net of issuance costs	—	8,099	—
Proceeds of registered direct offering	—	17,500	—
Payment of issuance costs for registered direct offering		(1,535)	—
Proceeds from issuance of common stock associated with Capital on Demand™ Sales Agreement	—	8,176	—
Payment of issuance costs associated with Capital on Demand™ Sales Agreement	—	(262)	—
Proceeds from public offering of common stock, net of offering costs	—	159,447	—
Proceeds from royalty interest purchase agreement with Oberland Capital Management	—	—	65,000
Payment of transaction costs on royalty interest purchase agreement	—	—	(584)
Proceeds from issuance of common stock under the Company's stock-based compensation plans	300	785	68
Payment of liability of future royalties, net of imputed interest	(4,472)	(4,287)	(2,226)
Payment on termination of credit agreement with HealthCare Royalty Partners, III, L.P.	—	—	(37,162)
Payments made on Curis Royalty's debt	—	—	(1,825)
Net cash provided by financing activities	(4,172)	188,814	23,271
Net (decrease) increase in cash and cash equivalents and restricted cash	(89,686)	114,027	(7,390)
Cash and cash equivalents and restricted cash, beginning of period	130,426	16,399	23,789
Cash and cash equivalents and restricted cash, end of period	$ 40,740	$ 130,426	$ 16,399
Supplemental cash flow data:			
Issuance costs in accounts payable	—	416	—
Non-cash commitment shares issued to Aspire Capital	—	900	—
Cash paid for interest	4,437	5,050	4,716
Right-of-use assets obtained in exchange for lease liabilities	—	7,169	—

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

(1) Nature of Business

Curis, Inc. is a biotechnology company focused on the development of first-in-class and innovative therapeutics for the treatment of cancer. Throughout these consolidated financial statements, Curis, Inc. and our wholly owned subsidiaries are collectively referred to as “the Company,” “Curis,” “we,” “us,” or “our.”

The Company conducts its research and development programs both internally and through strategic collaborations. The Company’s clinical stage drug candidates include emavusertib, previously CA-4948, an orally available small molecule inhibitor of Interleukin-1 receptor associated kinase 4 (“IRAK4”); CI-8993, a monoclonal antibody designed to antagonize the V-domain Ig suppressor of T cell activation (“VISTA”) signaling pathway; fimepinostat, a small molecule that potently inhibits the activity of histone deacetylase and phosphotidyl-inositol 3 kinase enzymes; and CA-170, a small molecule antagonist of VISTA and PDL1.

The Company is party to a collaboration with Genentech Inc. (“Genentech”), a member of the Roche Group, under which Genentech and F. Hoffmann-La Roche Ltd (“Roche”) are commercializing Erivedge® (vismodegib), a first-in-class orally administered small molecule Hedgehog signaling pathway antagonist. Erivedge is approved for the treatment of advanced basal cell carcinoma (“BCC”).

In January 2015, the Company entered into an exclusive collaboration agreement with Aurigene Discovery Technologies Limited (“Aurigene”) for the discovery, development and commercialization of small molecule compounds in the areas of immuno-oncology and precision oncology, which was amended in September 2016 and February 2020.

In addition, the Company is a party to an option and license agreement with ImmuNext. Pursuant to the terms of the option and license agreement, the Company has an option, exercisable for a specified period as set forth in the option and license agreement, to obtain an exclusive license to develop and commercialize certain VISTA antagonizing compounds, including ImmuNext's lead compound, CI-8993, and products containing these compounds in the field of oncology.

The COVID-19 pandemic has had and may continue to have an adverse effect on the Company’s business, financial condition, results of operations, and prospects. With respect to ongoing clinical trials, the anticipated timing of enrollment and the overall timelines of the trials have experienced delays and could be further delayed to the extent the Company experiences further delays in enrollment due to the COVID-19 pandemic. The Company’s ability to collect patient data in a timely fashion may also be impacted. The Company also experienced delays in closing down its clinical trial sites related to its fimepinostat and CA-170 trials due to restrictions on non-essential workers imposed at those sites in response to COVID-19, which delayed the winding down of these trials. In addition, the Company and its collaborators, third-party contract manufacturers, contract research organizations and clinical sites could experience delays or disruptions in supply and release of product candidates and/or procuring items that are essential for its research and development activities, including, for example, raw materials used in the manufacturing of its product candidates, basic medical and laboratory supplies used in its clinical trials or preclinical studies, or animals that are used for preclinical testing, in each case, for which there may be shortages or supply chain disruptions as a result of the pandemic. The Company cannot be certain what the overall impact of the COVID-19 pandemic will be on its business.

The Company is subject to risks common to companies in the biotechnology industry as well as risks that are specific to the Company’s business, including, but not limited to: the Company’s ability to obtain adequate financing to fund its operations; the Company’s ability to advance and expand its research and development programs; the impacts of the COVID-19 pandemic and responsive actions related thereto; the Company’s reliance on Roche and Genentech to successfully commercialize Erivedge in the approved indication of advanced BCC and to progress its clinical development in indications other than BCC; the ability of the Company and its wholly owned subsidiary, Curis Royalty, LLC (“Curis Royalty”) to satisfy the terms of the royalty interest purchase agreement (the “Oberland Purchase Agreement”) with TPC Investments I LP and TPC Investments II LP ("the Purchasers"), each of which is a Delaware limited partnership managed by Oberland Capital Management, LLC, and Lind SA LLC ("the Agent"), a Delaware limited liability company managed by Oberland Capital Management, LLC, as collateral agent for the Purchasers; the Company’s ability to obtain and maintain necessary intellectual property protection; development by the Company’s competitors of new or better technological innovations; the Company’s ability to comply with regulatory requirements; the Company's ability to obtain and maintain applicable regulatory approvals and commercialize any approved product candidates and the Company’s ability to execute on its overall business strategies.

The Company’s future operating results will largely depend on the progress of drug candidates currently in its development pipeline and the magnitude of payments that it may receive and make under its current and potential future collaborations. The results of the Company’s operations have varied and will likely continue to vary significantly from year to

year and quarter to quarter and depend on a number of factors, including, but not limited to the timing, outcome and cost of the Company's preclinical studies and clinical trials for its drug candidates.

The Company will require substantial funds to maintain research and development programs and support operations. The Company has incurred losses and negative cash flows from operations since its inception. As of December 31, 2021, the Company had an accumulated deficit of approximately $1.1 billion, incurred a loss of $45.4 million and used $37.6 million of cash in operations. The Company expects to continue to generate operating losses in the foreseeable future. The Company anticipates that its $139.8 million of existing cash, cash equivalents and investments at December 31, 2021 will be sufficient to fund operations for at least 12 months from the date of issuance of these financial statements.

The Company's ability to raise additional funds will depend, among other factors, on financial, economic and market conditions, many of which are outside of its control and it may be unable to raise financing when needed, or on terms favorable to the Company. If necessary funds are not available, the Company will have to delay, reduce the scope of, or eliminate some of its development programs, potentially delaying the time to market for or preventing the marketing of any of its product candidates.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the U.S. ("GAAP") and include the accounts of our wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

In accordance with Accounting Standards Update ("ASU") *2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has evaluated and determined that there are no conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued.

(b) Use of Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosure of revenue, expenses and certain assets and liabilities at the balance sheet date. Such estimates include revenue recognition, including estimates related to the performance obligations under the Company's collaboration agreements; the estimated repayment term of the Company's debt and related short and long-term classification; the collectability of receivables; the carrying value of property and equipment and goodwill; the assumptions used in the Company's valuation of stock-based compensation and the value of certain investments and liabilities. Actual results may differ from such estimates.

The extent to which COVID-19 has had and may continue to have impacts on the Company's business and financial results will depend on numerous evolving factors including, but not limited to: the magnitude and duration of the COVID-19 pandemic, the extent to which it has impacted and will continue to impact worldwide macroeconomic conditions including interest rates, employment rates and health insurance coverage, the speed of the anticipated recovery, and governmental and business responses to the pandemic. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company and the unknown future impacts of COVID-19 as of December 31, 2021 and through the date of this report. The Company's future assessment of the magnitude and duration of the COVID-19 pandemic, as well as other factors, could result in material impacts to the Company's consolidated financial statements in future reporting periods.

(c) Cash Equivalents, Restricted Cash, and Investments

Cash equivalents consist of highly liquid investments purchased with original maturities of three months or less. All other liquid investments are classified as marketable securities.

The Company classified $0.7 million and $0.8 million of its cash as restricted cash, as of December 31, 2021 and December 31, 2020. This amount represents the security deposit delivered to the landlord of the Company's Lexington, Massachusetts headquarters.

The Company's combined cash and cash equivalents and restricted cash balances were $40.7 million and $130.4 million as of December 31, 2021 and December 31, 2020, as presented on the Company's Consolidated Statements of Cash Flows.

The Company's short-term investments are marketable debt securities with original maturities of greater than three months from the date of purchase, but less than twelve months from the balance sheet date, and long-term investments are marketable debt securities with original maturities of greater than twelve months from the balance sheet. Marketable securities

consist of commercial paper, corporate bonds and notes, and/or government obligations. All of the Company's investments have been designated available-for-sale and are stated at fair value. Unrealized gains and temporary losses on investments are included in accumulated other comprehensive income (loss) as a separate component of stockholders' deficit. Realized gains and losses, dividends and interest income are included in other income (expense) in the period during which the securities are sold. Any premium or discount arising at purchase is amortized and/or accreted to interest income.

Accrued interest receivable related to the Company's available-for-sale debt securities is presented within investments on the Company's consolidated balance sheets. Any write offs of accrued interest receivable are recorded by reversing interest income, recognizing credit loss expense, or a combination of both. To date, the Company has not written off any accrued interest receivables associated with its marketable securities.

(d) Concentrations and Significant Customer Information

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, marketable securities, and accounts receivable. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. Management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held. The Company's credit risk related to investments is reduced as a result of the Company's policy to limit the amount invested in any one issue. As of December 31, 2021, the Company did not have a material concentration in any single investment.

The Company's operations are located entirely within the U.S. The Company focus is primarily on the development of first-in-class and innovative therapeutics for the treatment of cancer. The Company's customer, Genentech, accounted for 100%, 98%, and 100% of the total gross revenues for the years ending December 31, 2021, 2020, and 2019, respectively.

The Company's accounts receivable at December 31, 2021 and December 31, 2020 represents amounts due from collaborators, primarily for royalties earned on sales of Erivedge by Genentech and Roche.

The Company relies on third-parties to supply certain raw materials necessary to produce its drug candidates, including emavusertib (CA-4948) and CI-8993 for preclinical studies and clinical trials. There are a small number of suppliers for certain raw materials that the Company uses to manufacture its drug candidates.

(e) Long-Lived Assets Other than Goodwill

Long-lived assets other than goodwill consist of property and equipment. The Company applies the guidance in FASB Codification Topic 360-10-05, *Impairment or Disposal of Long-Lived Assets*. If it were determined that the carrying value of the Company's other long-lived assets might not be recoverable based upon the existence of one or more indicators of impairment, the Company would measure an impairment based on the difference between the carrying value and fair value of the asset. The Company did not recognize any material impairment charges for the years ended December 31, 2021 or December 31, 2020.

Purchased equipment is recorded at cost. The Company does not currently hold any leased equipment. Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the related assets or the remaining terms of the leases, whichever is shorter, as follows:

	Useful Life
Laboratory equipment, computers and software	3-5 years
Leasehold improvements	Lesser of lease or asset life
Office furniture and equipment	5 years

(f) Leases

In February 2016 the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a standard issued to increase transparency and comparability among organizations related to their leasing activities. This standard established a right-of-use model that requires the recognition of right-of-use assets and lease liabilities for most leases as well as provides disclosure with respect to certain qualitative and quantitative information related to a company's leasing arrangements to meet the objective of allowing users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

The FASB subsequently issued the following amendments to ASU 2016-02 that have the same effective date and transition date: ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*, ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, and ASU No. 2019-01, *Leases (Topic 842): Codification Improvements*. The Company adopted these amendments with ASU 2016-02 (collectively, the new leasing standards) effective January 1, 2019.

The Company adopted the leasing standards using the modified retrospective transition approach, as of January 1, 2019, with no restatement of prior periods or cumulative adjustment to retained earnings. Upon adoption, the Company elected the package of transition practical expedients, which allowed Curis to carry forward prior conclusions related to whether any

expired or existing contracts are or contain leases, the lease classification for any expired or existing leases and initial direct costs for existing leases. The Company also made an accounting policy election to not recognize leases with an initial term of 12 months or less within its consolidated balance sheets and to recognize those lease payments on a straight-line basis in its consolidated statements of income over the lease term. Upon adoption of the leasing standard Curis recognized an operating lease asset of approximately $1.0 million and a corresponding operating lease liability of approximately $1.1 million. The adoption of the leasing standard did not have an impact on the consolidated statement of income.

The Company determines if an arrangement is a lease at contract inception. Operating lease assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date of the lease based upon the present value of lease payments over the lease term. When determining the lease term, the Company includes options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

As most of the Company's leases do not provide an implicit interest rate, the Company uses its incremental borrowing rate, which is based on rates that would be incurred to borrow on a collateralized basis over a term equal to the lease payments in a similar economic environment, in determining the present value of lease payments.

Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease payment used to determine the operating lease asset may include lease incentives, stated rent increases and was recognized as an operating lease right-of-use asset in the consolidated balance sheets. The Company's lease agreements may include both lease and non-lease components, which are accounted for as a single lease component when the payments are fixed. Variable payments included in the lease agreement are expensed as incurred.

The Company's operating lease is reflected in operating lease right-of-use asset and operating lease liability in the consolidated balance sheets. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For additional information on the adoption of the new leasing standards, please read Note 7, Leases and Commitments, to these consolidated financial statements.

(g) Goodwill

As of both December 31, 2021 and December 31, 2020, the Company recorded goodwill of $9.0 million. The Company applies the guidance in the FASB Codification Topic 350, *Intangibles—Goodwill and Other*. During each of December 31, 2021 and December 31, 2020, the Company completed its annual goodwill impairment tests and determined that the Company represented a single reporting unit and as of those dates the fair value of the Company exceeded the carrying value of its net assets. Accordingly, no goodwill impairment was recognized for the years ended December 31, 2021 and December 31, 2020.

(h) Revenue Recognition

The Company’s business strategy includes entering into collaborative license and development agreements with biotechnology and pharmaceutical companies for the development and commercialization of the Company’s drug candidates. The terms of the agreements typically include non-refundable license fees, funding of research and development, payments based upon achievement of clinical development and regulatory objectives, and royalties on product sales.

License Fees and Multiple Element Arrangements

If a license to its intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company will recognize revenues from non-refundable, up-front fees allocated to the license at such time as the license is transferred to the licensee and the licensee is able to use, and benefit from, the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, up-front fees. The Company evaluates the measure of progress each reporting period and, if necessary, will adjust the measure of performance and related revenue recognition.

If the Company is involved in a steering committee as part of a multiple element arrangement, the Company assesses whether its involvement constitutes a performance obligation or a right to participate. Steering committee services that are not determined to be distinct performance obligations are combined with other research services or performance obligations required under an arrangement, if any, in determining the level of effort required in an arrangement and the period over which the Company expects to complete its aggregate performance obligations.

Appropriate methods of measuring progress include output methods and input methods. In determining the appropriate method for measuring progress, the Company considers the nature of service that it promises to transfer to the customer. When the Company decides on a method of measurement, the Company will apply that single method of measuring progress for each

performance obligation satisfied over time and will apply that method consistently to similar performance obligations and in similar circumstances.

If the Company cannot reasonably measure its progress toward complete satisfaction of a performance obligation because the Company lacks reliable information that would be required to apply an appropriate method of measuring progress, but it can reasonably estimate when the performance ceases or the remaining obligations become inconsequential and perfunctory, then revenue is not recognized until the Company can reasonably estimate when the performance obligation ceases or becomes inconsequential. Revenue is then recognized over the remaining estimated period of performance.

Significant management judgment is required in determining the level of effort required under an arrangement and the period over which the Company is expected to complete its performance obligations under an arrangement.

Contingent Research Milestone Payments

ASC 606 constrains the amount of variable consideration included in the transaction price in that either all, or a portion, of an amount of variable consideration should be included in the transaction price. The variable consideration amount should be included only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The assessment of whether variable consideration should be constrained is largely a qualitative one that has two elements: the likelihood of a change in estimate, and the magnitude thereof. Variable consideration is not constrained if the potential reversal of cumulative revenue recognized is not significant.

If the consideration in a contract includes a variable amount, the Company will estimate the amount of consideration in exchange for transfer of promised goods or services. The consideration also can vary if the Company's entitlement to the consideration is contingent on the occurrence or nonoccurrence of a future event. The Company considers contingent research milestone payments to fall under the scope of variable consideration, which should be estimated for revenue recognition purposes at the inception of the contract and reassessed ongoing at the end of each reporting period.

The Company assesses whether contingent research milestones should be considered variable consideration that should be constrained and thus not part of the transaction price. This includes an assessment of the probability that all or some of the milestone revenues could be reversed when the uncertainty around whether or not the achievement of each milestone is resolved, and the amount of reversal could be significant.

GAAP provides factors to consider when assessing whether variable consideration should be constrained. All of the factors should be considered, and no factor is determinative. The Company considers all relevant factors.

Reimbursement of Costs

Reimbursement of research and development costs by third-party collaborators is recognized as revenue over time provided the Company has determined that it transfers control (i.e. performs the services) of a service over time and, therefore, satisfies a performance obligation according to the provisions outlined in ASC 606-10-25-27, *Revenue Recognition*.

Royalty Revenue

Since the first quarter of 2012, the Company has recognized royalty revenues related to Genentech's and Roche's sales of Erivedge. For arrangements that include sales based royalties, including milestone payments based on the level of sales, and where the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). The Company expects to continue recognizing royalty revenue from Genentech's sales of Erivedge in the U.S. and in other markets where Genentech and Roche successfully obtain marketing approval, if any (see Note 11). However, a portion of potential Erivedge royalties will be paid to the Purchasers pursuant to the Oberland Purchase Agreement (see Note 9).

Contra Revenue, Net

Contra revenue, net represents shared costs, primarily related to intellectual property, with the Company's collaboration partners, and reserves for potential royalty reductions.

With respect to each of the foregoing areas of revenue recognition, the Company exercises significant judgment in determining whether an arrangement contains multiple elements, and, if so, how much revenue is allocable to each element. In addition, the Company exercises its judgment in determining when its significant obligations have been met under such agreements and the specific time periods over which the Company recognized revenue, such as non-refundable, up-front license fees. To the extent that actual facts and circumstances differ from the Company's initial judgments, its revenue recognition with

respect to such transactions would change accordingly and any such change could affect the Company's reported financial results.

(i) Cost of Royalties

Cost of royalty revenues consists of all expenses incurred that are associated with royalty revenues that the Company records as revenues in its consolidated statements of operations and comprehensive loss. These costs currently consist of payments the Company is obligated to make to university licensors on royalties that Curis Royalty receives from Genentech on net sales of Erivedge. The Company's obligation is equal to 5% of the royalty payments that it receives from Genentech for a period of 10 years from the first commercial sale of Erivedge, which occurred in February 2012 in the U.S.

(j) *Research and Development*

Research and development expense consists of costs incurred to discover, research and develop drug candidates. These expenses primarily include: (1) salaries and related expenses for personnel including stock-based compensation expense; (2) outside service costs, including clinical research organizations and contract manufacturing costs, among others; (3) sublicense payments; and (4) the costs of supplies and reagents, consulting, and occupancy and depreciation charges. The Company expenses research and development costs as they are incurred.

(k) Basic and Diluted Loss per Common Share

Basic and diluted net losses per share were determined by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is the same as basic net loss per common share for all periods presented, as the effect of the potential common stock equivalents is antidilutive due to the Company's net loss position for all periods presented.

	For the Year Ended December 31,		
	2021	2020	2019
Stock options outstanding	10,363,769	8,668,005	6,158,026
Total antidilutive securities	10,363,769	8,668,005	6,158,026

(l) Stock-Based Compensation

The Company accounts for stock-based compensation transactions using a grant-date fair-value based method under FASB Codification Topic 718, *Compensation-Stock Compensation*.

The Company measures compensation cost for stock-based compensation at fair value, including an estimate of forfeitures and recognizes the expense as compensation expense over the period that the recipient is required to provide service in exchange for the award, which generally is the vesting period. The Company uses the Black-Scholes option pricing model to measure the fair value of stock options. This model requires significant estimates related to the award's expected life and future stock price volatility of the underlying equity security.

In determining the amount of expense to be recorded, the Company also estimates forfeiture rates for awards, based on the probability that employees will complete the required service period. The Company estimates the forfeiture rate based on historical experience. If actual forfeitures differ significantly from the Company's estimates, additional adjustments to compensation expense may be required in future periods. Ultimately, the actual expense recognized over the vesting period will only be for those shares that vest.

The expected volatility is based on the annualized daily historical volatility of the Company's stock price for a time period consistent with the expected term of each grant. Management believes that the historical volatility of the Company's stock price best represents the future volatility of the stock price. The risk-free rate is based on the U.S. Treasury yield in effect at the time of grant for the expected term of the respective grant. The Company has not historically paid cash dividends, and does not expect to pay cash dividends in the foreseeable future.

The stock price volatility and expected terms utilized in the calculation involve management's best estimates at that time, both of which impact the fair value of the option calculated under the Black-Scholes methodology and, ultimately, the expense that will be recognized over the life of the option. GAAP also requires that the Company recognize compensation expense for only the portion of options that are expected to vest. Therefore, management calculated an estimated annual pre-vesting forfeiture rate that is derived from historical employee termination behavior since the inception of the Company, as adjusted. If the actual number of forfeitures differs from those estimated by management, additional adjustments to compensation expense may be required in future periods.

(m) Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized holding gains and losses arising during the period on available-for-sale securities that are not other-than-temporarily impaired.

(n) Segment Reporting

The Company has determined that it operates in a single reportable segment, which is the research and development of innovative drug candidates for the treatment of human cancer. The Company expects that any products that are successfully developed and commercialized would be used in the healthcare industry and would be regulated in the United States by the FDA and in overseas markets by similar regulatory authorities.

(o) Interest Expense on Liability related to the Sale of Future Royalties

In March 2019 the Company entered into the Oberland Purchase Agreement with Oberland Capital. Pursuant to the terms of the Oberland Purchase Agreement the Company sold to Oberland a portion of its rights to receive royalties from Genentech on potential net sales of Erivedge. As a result of the obligation to pay future royalties to Oberland, the Company recorded the proceeds from this transaction as a liability on its Consolidated Balance Sheet that is accounted for using the interest method over the estimated life of the Oberland Purchase Agreement. As a result, the Company imputes interest on the transaction and records imputed interest expense at the estimated interest rate. The Company's estimate of the interest rate under the agreement is based on the amount of royalty payments expected to be received by Oberland over the life of the arrangement. On a quarterly basis, the Company assesses the expected royalty payments to Curis Royalty from Genentech using a combination of historical results and forecasts from market data sources. To the extent such payments are greater or less than the initial estimates or the timing of such payments is materially different than the original estimates, the Company will prospectively adjust the amortization of the liability.

(p) New Accounting Pronouncements

Recently Adopted

In August 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") No. 2018-13, Fair Value Measurement, which modified the disclosure requirements for fair value measurement under ASC 820. The standard was effective for annual reporting periods and interim periods within those annual periods, beginning after December 15, 2019, with early adoption permitted. The Company adopted the standard effective January 1, 2020 with no material impact to its Consolidated Financial Statements.

In June 2016, FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This standard requires that for most financial assets, losses be based on an expected loss approach which includes estimates of losses over the life of exposure that considers historical, current and forecasted information. Expanded disclosures related to the methods used to estimate the losses as well as a specific disaggregation of balances for financial assets are also required. The targeted transition relief standard allows filers an option to irrevocably elect the fair value option of ASC 825-10, Financial Instruments-Overall, applied on an instrument-by-instrument basis for eligible instruments. In November 2019 the effective date for smaller reporting companies was extended to January 1, 2023 with the issuance of ASU 2019-10, Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842) Effective Dates. The Company adopted ASU 2016-13 as of January 1, 2021 and the adoption did not have a material impact on the Consolidated Financial Statements.

(3) **Fair Value of Financial Instruments**

The Company applies the provisions of ASC Topic 820, *Fair Value Measurements* ("ASC 820") for its financial assets and liabilities that are re-measured and reported at fair value each reporting period and the non-financial assets and liabilities that are re-measured and reported at fair value on a non-recurring basis. Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which it would transact and consider assumptions that market participants would use when pricing the asset or liability. ASC 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. Financial assets and liabilities are categorized within the valuation hierarchy based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy are defined as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, 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.

In accordance with the fair value hierarchy, the following table shows the fair value as of December 31, 2021 and December 31, 2020 of those financial assets and liabilities that are measured at fair value on a recurring basis, according to the valuation techniques the Company used to determine their fair value. No financial assets or liabilities are measured at fair value on a nonrecurring basis at December 31, 2021 and December 31, 2020.

(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value
As of December 31, 2021				
Cash equivalents:				
Money market funds	$ 33,944	$ —	$ —	$ 33,944
Short-term investments:				
Corporate commercial paper, bonds and notes	—	75,870	—	75,870
Long-term investments:				
Corporate commercial paper, bonds and notes	—	23,964	—	23,964
Total assets at fair value	$ 33,944	$ 99,834	$ —	$ 133,778

(in thousands)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Fair Value
As of December 31, 2020				
Cash equivalents:				
Money market funds	$ 115,278	$ —	$ —	$ 115,278
Short-term investments:				
Corporate commercial paper, bonds and notes	—	38,884	—	38,884
Long-term investments:				
Corporate commercial paper, bonds and notes	—	14,564	—	14,564
Total assets at fair value	$ 115,278	$ 53,448	$ —	$ 168,726

Accrued interest receivable on the Company's available-for-sale debt securities totaled $0.4 million and $0.3 million as of December 31, 2021 and 2020, respectively. No accrued interest receivable was written off for the years ended December 31, 2021 and 2020.

(4) Investments

The amortized cost, unrealized gains and losses and fair value of investments available-for-sale as of December 31, 2021 are as follows:

(in thousands)	Amortized Cost	Unrealized Gain	Unrealized Loss	Fair Value
Corporate bonds and notes—short-term	$ 75,896	$ —	$ (26)	$ 75,870
Corporate bonds and notes—long-term	24,047	—	(83)	23,964
Total investments	$ 99,943	$ —	$ (109)	$ 99,834

The weighted average maturity of short-term investments and long-term investments was 0.4 and 1.2 years, respectively, at December 31, 2021.

The amortized cost, unrealized gains and losses and fair value of investments available-for-sale as of December 31, 2020 are as follows:

(in thousands)	Amortized Cost	Unrealized Gain	Unrealized Loss	Fair Value
Corporate bonds and notes—short-term	$ 38,888	$ —	$ (4)	$ 38,884
Corporate bonds and notes—long-term	14,563	1	—	14,564
Total investments	$ 53,451	$ 1	$ (4)	$ 53,448

The weighted average maturity of short-term investments and long-term investments was 0.6 and 1.5 years, respectively, at December 31, 2020.

No credit losses on available-for-sale securities were recognized during the years ended December 31, 2021, 2020, and 2019. In its evaluation to determine expected credit losses, management considered all available historical and current information, expectations of future economic conditions, the type of security, the credit rating of the security, and the size of the loss position, as well as other relevant information. The Company does not intend to sell, and is unlikely to be required to sell, any of these available-for-sale investments before their effective maturity or market price recovery. The Company held no investments that have been in a continuous unrealized loss position for 12 months or longer.

(5) Property and Equipment, Net

Property and equipment consist of the following:

	December 31,	
(in thousands)	2021	2020
Laboratory equipment, computers and software	$ 1,752	$ 1,736
Leasehold improvements	214	214
Office furniture and equipment	764	779
	2,730	2,729
Less—Accumulated depreciation and amortization	(2,225)	(2,066)
Total	$ 505	$ 663

Depreciation and amortization expense related to property and equipment was $0.2 million, $0.1 million, and $0.1 million for the years ended December 31, 2021, 2020, and 2019, respectively.

(6) Accrued Liabilities

Accrued liabilities consist of the following:

	December 31,	
(in thousands)	2021	2020
Compensation and related costs	$ 3,260	$ 2,638
Chemistry, manufacturing and controls costs	2,232	—
Professional and legal fees	644	307
License fees	—	375
Other	203	305
Total	$ 6,339	$ 3,625

(7) Leases and Commitments

(a) Operating Leases

The Company has a single lease for real estate, including laboratory and office space, and certain equipment. The lease for the current real estate property used for office, research and laboratory space located at 128 Spring Street in Lexington, Massachusetts commenced on May 1, 2020 which is the date when the property became available for use to the Company. In accordance with the accounting requirements under ASC 842, the lease obligation was not recorded until its commencement. In July 2020 the Company prospectively remeasured the lease as a result of the change to the timing of lease payments, the change was not material. The discount rate associated with the Company's right-of-use asset was 9.95%. The total cash obligation for the base rent over the seven-year term of this lease is approximately $9.3 million, of which $2.3 million was paid during the year ended December 31, 2021. The payments included a payment of $1.1 million for tenant improvements.

All of the Company's leases qualify as operating leases. The following table summarizes the presentation in the Company's consolidated balance sheet for the operating leases:

	December 31,	
(in thousands)	2021	2020
Assets:		
Operating lease right-of-use asset	$ 5,749	$ 6,578
Liabilities:		
Operating lease liability - short-term	$ 682	$ 1,731
Operating lease liability - long-term	$ 4,358	$ 5,040
Total operating liability	$ 5,040	$ 6,771

The following table summarizes the effect of lease costs in our consolidated statements of income.

	For the Year Ended December 31,		
(in thousands)	2021	2020	2019
Operating lease cost			
Research and development	$ 1,042	$ 1,061	$ 651
General and administrative	311	275	351
	$ 1,353	$ 1,336	$ 1,002

The Company’s lease payments for the next five years and thereafter is expected to be as follows:

Year Ending December 31,	(in thousands)
2022	$ 1,145
2023	1,178
2024	1,213
2025	1,250
2026	1,287
Thereafter	433
Total lease payments	$ 6,506
Less: interest	1,466
Present value of operating lease liabilities	$ 5,040

On January 27, 2022, the Company amended its lease agreement for its real estate property used for office, research and laboratory at 128 Spring Street ("Lease Amendment"). The Lease Amendment added approximately 9,340 square feet to the existing space for $30 per square foot, or $0.3 million per year in base rent subject to annual rent increases. The Lease Amendment also reduces the term of the lease to expire on December 31, 2025. Rent for the additional space will be paid on a “gross amount” basis and the Company is not obligated to reimburse the landlord for taxes or operating expenses on the additional space. Payments under the Lease Amendment will commence at the commencement date, which is expected in the second quarter of 2022. In addition, the Lease Amendment provides the Company and the landlord each with an option to terminate the lease agreement early. The Company's early termination option becomes effective on the lease commencement

date of a new lease for larger premises within the landlord's commercial real estate portfolio ("New Lease"), and the Company may exercise our early termination option by providing the landlord with written notice of such election to terminate the lease agreement concurrently with the execution of the New Lease. The landlord has the option to terminate the lease agreement early by providing written notice to the Company eighteen months prior to December 31, 2025.

(b) License Agreements

In exchange for the right to use licensed technology in its research and development efforts, the Company has entered into various license agreements. These agreements generally stipulate that the Company pay an annual license fee and is obligated to pay royalties on future revenues, if any, resulting from use of the underlying licensed technology. Such revenues may include up-front license fees, contingent payments upon collaborators' achievement of development and regulatory objectives, and royalties. In addition, some of the agreements commit the Company to make contractually defined payments upon the attainment of scientific or clinical milestones. The Company expenses these payments as they are incurred and expenses royalty payments as related future product sales or as royalty revenues are recorded. The Company accrues expenses for scientific and clinical objectives over the period that the work required to meet the respective objective is completed, provided that the Company believes that the achievement of such objective is probable. For the years ended December 31, 2021, 2020, and 2019, the Company also recognized $0.5 million, $0.5 million, and $0.5 million, respectively, as cost of royalty revenues in its Consolidated Statements of Operations and Comprehensive Loss related to such obligations (see Note 11 (a)).

(8) Debt

In April 2020, the Company entered into a promissory note evidencing an unsecured $0.9 million loan (the "PPP Loan") under the Paycheck Protection Program ("PPP"), of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") as administered by the U.S. Small Business Administration (the "SBA"). The PPP Loan was made by Silicon Valley Bank and had a term of 24-months and an interest rate of 1%. Under the terms of the CARES Act and the Paycheck Protection Program Flexibility Act of 2020, PPP Loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. The Company applied for such forgiveness in 2020 and received notification in June 2021 that the SBA had forgiven the PPP Loan in full, including interest accrued on the PPP Loan. During the year ended December 31, 2021, the Company recorded a gain of $0.9 million to Other income (expense), net for extinguishment of the debt. As of December 31, 2020, the Company recorded short- and long-term debt related to the PPP Loan of $0.6 million and $0.3 million, respectively.

(9) Liability Related to the Sale of Future Royalties

In March 2019, the Company and Curis Royalty entered into the royalty interest purchase agreement ("Oberland Purchase Agreement") with entities managed by Oberland Capital Management, LLC (the "Purchasers"). The Company sold to the Purchasers a portion of its rights to receive royalties from Genentech on potential net sales of Erivedge. Concurrently with the closing of the Oberland Purchase Agreement Curis Royalty used a portion of the proceeds to terminate and repay the then existing loan with Healthcare Royalty.

As upfront consideration for the purchase of the royalty rights, at closing the Purchasers paid to Curis Royalty $65.0 million less certain transaction expenses. Curis Royalty will also be entitled to receive up to $53.5 million in milestone payments based on sales of Erivedge if the Purchasers receive payments pursuant to the Oberland Purchase Agreement in excess of $117.0 million on or prior to December 31, 2026.

The Oberland Purchase Agreement provides that after the occurrence of an event of default as defined under the security agreement by Curis Royalty, the Purchasers shall have the option, for a period of 180 days, to require Curis Royalty to repurchase a portion of certain royalty and royalty related payments, excluding a portion of non-U.S. royalties retained by Curis Royalty, referred to as the Purchased Receivables, at a price, referred to as the Put/Call Price, equal to a percentage, beginning at a low triple digit percentage and increasing over time up to a low mid triple digit percentage of the sum of the upfront purchase price and any portion of the milestone payments paid in a lump sum by the Purchasers, if any, minus certain payments previously received by the Purchasers with respect to the Purchased Receivables. Additionally, Curis Royalty shall have the option at any time to repurchase the Purchased Receivables at the Put/Call Price as of the date of such repurchase. No events of default occurred as of December 31, 2021.

As a result of the obligation to pay future royalties to Oberland, the Company recorded the proceeds from this transaction as a liability on its Consolidated Balance Sheet that will be accounted for using the interest method over the estimated life of the Oberland Purchase Agreement. As a result, the Company imputes interest on the transaction and records imputed interest expense at the estimated interest rate. The Company's estimate of the interest rate under the agreement is based on the amount of royalty payments expected to be received by Oberland over the life of the arrangement. The projected amount of royalty payments expected to be paid to Oberland involves the use of significant estimates and assumptions with respect to the revenue growth rate in the Company's projections of sales of Erivedge. The Company periodically assesses the expected royalty

payments to Curis Royalty from Genentech using a combination of historical results and forecasts from market data sources. To the extent such payments are greater or less than its initial estimates or the timing of such payments is materially different than its original estimates, the Company will adjust the amortization of the liability.

The Company determined the fair value of the liability related to the sale of future royalties at the time of the Oberland Purchase Agreement to be $65.0 million, with a current effective annual imputed interest rate of 7.8%. The Company incurred $0.6 million of transaction costs in connection with the agreement. These transaction costs will be amortized to imputed interest expense over the estimated term of the Oberland Purchase Agreement. The Company determined that the fair value assessment of the liability related to the sale of future royalties is a Level 3 assessment within the valuation hierarchy.

The following table shows the activity with respect to the liability related to the sale of future royalties during the year ended December 31, 2021:

(in thousands)		
Carrying value of liability related to the sale of future royalties at January 1, 2021	$	58,235
Amortization of capitalized issuance costs		61
Imputed interest expense recognized for the year ended December 31, 2021		4,411
Less: payments to Oberland Capital, LLC		(8,909)
Carrying value of liability related to the sale of future royalties at December 31, 2021		53,798

The following table shows the activity with respect to the liability related to the sale of future royalties during the year ended December 31, 2020:

(in thousands)		
Carrying value of liability related to the sale of future royalties at January 1, 2020	$	62,477
Amortization of capitalized issuance costs		61
Imputed interest expense recognized for the year ended December 31, 2020		5,034
Less: payments to Oberland Capital, LLC		(9,337)
Carrying value of liability related to the sale of future royalties at December 31, 2020	$	58,235

(10) Common Stock

(a) Charter Amendments

In June 2020, the Company's stockholders approved an increase to the number of authorized shares of its common stock from 101,250,000 shares to 151,875,000 shares. The Company filed an amendment to its certificate of incorporation on June 4, 2020 to effect such an increase.

In May 2021, the Company's stockholders approved an increase to the number of authorized shares of its common stock from 151,875,000 shares to 227,812,500 shares. The Company filed an amendment to its certificate of incorporation on May 28, 2021 to effect such increase.

(b) 2021 Sales Agreement with Cantor Fitzgerald & Co. and JonesTrading Institutional Services LLC

In March 2021, the Company entered into a sales agreement (the “2021 Sales Agreement”) with Cantor Fitzgerald & Co., or Cantor, and JonesTrading Institutional Services LLC , or JonesTrading, to sell from time to time up to $100.0 million of the Company’s common stock through an “at the market offering” program under which Cantor and JonesTrading act as sales agents. Subject to the terms and conditions of the 2021 Sales Agreement, Cantor and JonesTrading can sell the common stock by any method deemed to be an “at-the-market” offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended (the “Securities Act”).

Pursuant to the terms of the 2021 Sales Agreement, the aggregate compensation payable to each of Cantor and JonesTrading is 3% of the gross proceeds from sales of the common stock sold by Cantor or JonesTrading, as applicable. Each party agreed in the 2021 Sales Agreement to provide indemnification and contribution against certain liabilities, including liabilities under the Securities Act, subject to the terms of the 2021 Sales Agreement. To date, the Company has not made any sales of common stock pursuant to the 2021 Sales Agreement.

(c) 2020 Public Offering

In December 2020, the Company completed an underwritten public offering of 29,500,000 shares of the Company's common stock, including 3,847,826 shares issued and sold to the underwriters upon the exercise in full of their option to purchase additional shares, at a price of $5.75 per share, for aggregate gross proceeds of $169.6 million, before deducting placement agent fees and other offering expenses of $10.2 million.

(d) 2020 Registered Direct Offering

In June 2020, the Company entered into a securities purchase agreement with certain institutional investors, pursuant to which the Company issued and sold, in a registered direct offering, an aggregate of 14,000,000 shares of the Company's common stock at a purchase price per share of $1.25, for aggregate gross proceeds of $17.5 million, before deducting fees of $1.0 million paid to the placement agent and other offering expenses of $0.5 million paid by the Company.

(e) 2020 Sales Agreement with JonesTrading Institutional Services LLC

In March 2020, the Company entered into a Capital on Demand™ Sales Agreement (the "Sales Agreement") with JonesTrading to sell from time to time up to $30.0 million of the Company's common stock through an "at-the-market" equity offering program under which JonesTrading acted as sales agent. Subject to the terms and conditions of the Sales Agreement, JonesTrading could sell the common stock by any method deemed to be an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), including sales made directly on the Nasdaq Global Market, on any other existing trading market for the common stock or to or through a market maker other than on an exchange. In addition, with the Company's prior written approval, JonesTrading could also sell the common stock by any other method permitted by law, including in privately negotiated transactions.

Pursuant to the terms of the Sales Agreement, the aggregate compensation payable to JonesTrading is 3% of the gross proceeds from sales of the common stock sold by JonesTrading pursuant to the Sales Agreement. Each party agreed in the Sales Agreement to provide indemnification and contribution against certain liabilities, including liabilities under the Securities Act, subject to the terms of the Sales Agreement.

The Company terminated this sales agreement effective as of December 9, 2020. The Company did not incur any termination penalties as a result of the termination. As of the effective date of the termination of the Sales Agreement, the Company had sold an aggregate of 6,298,648 shares of common stock under the sales agreement for aggregate gross proceeds of $8.3 million and net proceeds of $7.9 million after deducting commissions and offering expenses. The $21.7 million of common stock that remained unsold at the time of termination is no longer available.

(f) Aspire Capital Fund LLC

In February 2020, the Company entered into a common stock purchase agreement (the "Agreement") for the sale of up to $30.0 million of the Company's common stock with Aspire Capital. Under the terms of the Agreement, Aspire Capital has committed to purchase such shares of the Company's common stock at the Company's request, from time to time during a 30-month period at prices based on the market price at the time of each sale, subject to specified terms and limitations.

Aspire Capital made an initial investment of $3.0 million through the purchase of 2,693,965 shares of the Company's common stock. In 2020, Aspire Capital subsequently purchased an additional 4,650,000 shares of common stock for $5.4 million. In addition, in connection with entering into the agreement, the Company issued 646,551 shares of common stock to Aspire Capital as a commitment fee. The Company did not sell shares of common stock under the Agreement during the year ended December 31, 2021. As of December 31, 2021 and December 31, 2020, a total of $21.6 million remained available under the agreement.

The Company has the right to sell up to 150,000 shares of common stock per day to Aspire Capital, which total may be increased by mutual agreement up to an additional 2,000,000 shares per day. The extent to which the Company may rely on Aspire Capital as a source of funding will depend on a number of factors, including the prevailing market price of its common stock and the extent to which it is able to secure working capital from other sources.

There are no warrants, derivatives, or other share classes associated with this Agreement. The Company will control the timing and amount of the further sale of its common stock to Aspire Capital. There are no restrictions on future financings and there are no financial covenants, participation rights, rights of first refusal, or penalties in the Agreement. The Company has the right to terminate the Agreement at any time without any additional cost or penalty.

The Company also entered into a Registration Rights Agreement with Aspire Capital in connection with its entry into the Agreement.

(g) 2015 Sales Agreement with Cowen

On July 2, 2015, the Company entered into a sales agreement with Cowen, pursuant to which the Company could sell from time to time up to $30.0 million of the Company's common stock through an "at-the-market" equity offering program under which Cowen was to act as sales agent. The Company did not sell shares of common stock under this sales agreement during the year ended December 31, 2020.

In connection with entering in the sales agreement with JonesTrading in 2020, the Company terminated its sales agreement with Cowen and the "at-the-market" equity offering program in March 2020, and the 2015 sales agreement is no longer available for use by the Company.

(11) Research and Development Collaborations

(a) Genentech

In June 2003, the Company licensed its proprietary Hedgehog pathway antagonist technologies to Genentech for human therapeutic use. The primary focus of the collaborative research plan has been to develop molecules that inhibit the Hedgehog pathway for the treatment of various cancers. The collaboration is currently focused on the development of Erivedge, which is being commercialized by Genentech in the U.S. and by Genentech's parent company, Roche, in several other countries for the treatment of advanced BCC. Pursuant to the agreement, the Company is eligible to receive up to an aggregate of $115.0 million in contingent cash milestone payments, exclusive of royalty payments, in connection with the development of Erivedge or another small molecule Hedgehog pathway inhibitor, assuming the successful achievement by Genentech and Roche of specified clinical development and regulatory objectives. Of this amount, the Company has received $59.0 million in cash milestone payments as of December 31, 2021.

In addition to these payments and pursuant to the collaboration agreement, the Company, is entitled to a royalty on net sales of Erivedge that ranges from 5% to 7.5%. The royalty rate applicable to Erivedge may be decreased by 2% on a country-by-country basis in certain specified circumstances, including when a competing product that binds to the same molecular target as Erivedge is approved by the applicable regulatory authority in another country and is being sold in such country, by a third-party for use in the same indication as Erivedge, or, when there is no issued intellectual property covering Erivedge in a territory in which sales are recorded. In 2015, the FDA and the European Medicine Agency's Committee for Medicinal Products for Human Use, approved another Hedgehog signaling pathway inhibitor, Odomzo® (sonidegib), which is marketed by Sun Pharmaceutical Industries Ltd., for use in locally advanced BCC. Beginning in the fourth quarter of 2015, Genentech applied the 2% royalty reduction on U.S. sales of Erivedge as a result of the first commercial sale of Odomzo in the U.S. and the Company anticipates that Genentech will reduce by 2% royalties on net sales of Erivedge outside of the United States on a country-by-country basis to the extent that sonidegib is approved by the applicable country's regulatory authority and is being sold in such country. However, pursuant to the Oberland Purchase Agreement, the Company has retained its rights with respect to the 2% of royalties that are subject to such reduction in countries where such reduction has not occurred, subject to the terms and conditions of the Oberland Purchase Agreement (the "Retained Royalty Amounts").

In March 2017, the Company and Curis Royalty entered into a credit agreement with HealthCare Royalty Partners III, L.P. ("HealthCare Royalty"). Accordingly, HealthCare Royalty made a $45.0 million loan at an annual interest rate of 9.95% to Curis Royalty, with the net proceeds distributed to the Company as sole equity member of Curis Royalty. The final maturity date of the loan was the earlier of such date that the principal is paid in full, or Curis Royalty's right to receive royalties under the collaboration agreement with Genentech is terminated. On March 22, 2019, the Company and Curis Royalty terminated, and repaid in full all amounts outstanding under, the loan with HealthCare Royalty.

The Company has identified the following performance obligations related to the Genentech collaboration:

1. To grant the license for its Hedgehog antagonist programs and to provide service on both a steering committee and co-development steering committee. This performance obligation has been satisfied and only contingent royalty revenue remains to be recognized in the future.

2. To provide reimbursable research and development services. This performance obligation has been satisfied and no revenue remains to be recognized in the future.

The Company recognized $10.7 million, $10.7 million, and $10.4 million in royalty revenues under the Genentech collaboration during the years ended December 31, 2021, 2020, and 2019, respectively. The Company recorded $0.5 million, $0.5 million, and $0.5 million as cost of royalty revenues within the costs and expenses section of its consolidated statements of operations and comprehensive loss during the years ended December 31, 2021, 2020, and 2019, respectively. Cost of royalty revenues is comprised of the 5% of the royalties earned by Curis Royalty with respect to Erivedge, that the Company is obligated to pay to university licensors.

The Company has recorded amounts receivable from Genentech under this collaboration, comprised primarily of Erivedge royalties earned in the fourth quarters of 2021 and 2020, of $3.2 million and $3.0 million as of December 31, 2021 and 2020, respectively, in “accounts receivable” in the Company's current assets section of its consolidated balance sheets.

As further discussed in Note 9, a portion of royalty revenues received from Genentech on net sales of Erivedge will be paid to the Purchasers pursuant to the Oberland Purchase Agreement.

(b) Aurigene

In January 2015, the Company entered into an exclusive collaboration agreement with Aurigene for the discovery, development and commercialization of small molecule compounds in the areas of immuno-oncology and selected precision oncology targets. Under the collaboration agreement, Aurigene granted the Company an option to obtain exclusive, royalty-bearing licenses to relevant Aurigene technology to develop, manufacture and commercialize products containing certain of such compounds anywhere in the world, except for India and Russia, which are territories retained by Aurigene.

In September 2016, the Company and Aurigene entered into an amendment to the collaboration agreement. Under the terms of the amendment, in exchange for the issuance of shares of our common stock, Aurigene waived payment of up to a total of $24.5 million in potential milestones and other payments associated with the first four programs in the collaboration that may have become due from the Company under the collaboration agreement. To the extent any of these waived milestones or other payments are not payable by the Company, for example in the event one or more of the milestone events do not occur, the Company will have the right to deduct the unused waived amount from any one or more of the milestone payment obligations tied to achievement of commercial milestone events. The amendment also provides that, in the event supplemental program activities are performed by Aurigene, the Company will provide up to $2.0 million of additional funding for each of the third and fourth licensed program.

In February 2020, the Company and Aurigene further amended their collaboration agreement. Under the terms of the amended agreement, Aurigene will fund and conduct a Phase 2b/3 randomized study evaluating CA-170, in combination with chemoradiation, in approximately 240 patients with non-squamous non-small cell lung cancer (nsNSCLC). In turn, Aurigene receives rights to develop and commercialize CA-170 in Asia, in addition to its existing rights in India and Russia, based on the terms of the original agreement. The Company retains U.S., European Union, and rest of world rights to CA-170, and is entitled to receive royalty payments on potential future sales of CA-170 in Asia at percentage rates ranging from the high single digits up to 10% subject to specified reductions.

As of December 31, 2021, the Company has exercised its option to license the following four programs under the collaboration:

1. IRAK4 Program - a precision oncology program of small molecule inhibitors of IRAK4. The development candidate is emavusertib (CA-4948), an orally available small molecule inhibitor of IRAK4.
2. PD1/VISTA Program - an immuno-oncology program of small molecule antagonists of PD1 and VISTA immune checkpoint pathways. The development candidate is CA-170, an orally available small molecule antagonist of VISTA and PDL1.
3. PD1/TIM3 Program - an immuno-oncology program of small molecule antagonists of PD1 and TIM3 immune checkpoint pathways. The development candidate is CA-327, an orally available small molecule antagonist of PDL1 and TIM3.
4. The Company exercised its option to license a fourth program, which is an immuno-oncology program.

For each of the licensed programs (as described above) the Company is obligated to use commercially reasonable efforts to develop, obtain regulatory approval for, and commercialize at least one product in each of the U.S., specified countries in the European Union and Japan, and Aurigene is obligated to use commercially reasonable efforts to perform its obligations under the development plan for such licensed program in an expeditious manner.

For each of the IRAK4, PD1/VISTA, PD1/TIM3 programs, and the fourth immuno-oncology program, the Company has remaining unpaid or unwaived payment obligations of $42.5 million per program, related to regulatory approval and commercial sales milestones, plus specified additional payments for approvals for additional indications, if any.

In addition to the collaboration agreement, in June 2017, the Company entered into a master development and manufacturing agreement with Aurigene for the supply of drug substance and drug product. Under this agreement, the Company incurred $2.2 million, $1.0 million, and $0.8 million in research and development expense during the years ended December 31, 2021, 2020, and 2019, respectively. The Company had no prepaid expenses and no accrued expenses as of December 31, 2021 associated with this agreement. The Company recorded less than $0.1 million in prepaid expenses as of December 31, 2020 associated with this agreement.

(c) ImmuNext

In January 2020, the Company entered into an option and license agreement with ImmuNext (the “ImmuNext Agreement”). Under the terms of the ImmuNext Agreement, the Company agreed to engage in a collaborative effort with ImmuNext, and to conduct a Phase 1 clinical trial of CI-8993. In exchange, ImmuNext granted the Company an exclusive option, exercisable until the earlier of (a) January 2024 or (b) 90 days after database lock for the first Phase 1 trial in which the endpoints are satisfied (the “Option Period”), to obtain an exclusive, worldwide license to develop and commercialize certain VISTA antagonizing compounds and products containing these compounds in the field of oncology.

During the Option Period, the Company is obligated to pay a semi-annual fee of $0.4 million to ImmuNext and will conduct the Phase 1 trial, and ImmuNext will conduct certain agreed upon non-clinical research activities to support the Phase 1 trial. Additionally, the Company will assign to ImmuNext all right, title and interest in and to, inventions made by the Company alone or jointly with ImmuNext in conducting clinical and non-clinical activities under the ImmuNext Agreement and any patent rights covering those inventions. If the option is exercised, ImmuNext will assign to the Company (i) all such inventions that were made solely by the Company and any patent rights covering those inventions that were assigned by the Company to ImmuNext during the Option Period and (ii) a joint ownership interest in all such inventions that were made jointly by the Company and ImmuNext and patent rights covering those inventions that were assigned by the Company to ImmuNext during the Option Period, except for any of those inventions that relates to certain compounds to which ImmuNext has retained exclusive rights. In addition, the Company has agreed to reimburse ImmuNext for certain documented external costs and expenses incurred by ImmuNext in carrying out non-clinical research activities approved by the joint steering committee, up to $0.3 million per calendar year, unless otherwise agreed to by both parties in writing.

In consideration of the grant of the option, the Company made an upfront payment to ImmuNext of $1.3 million which is included in research and development expense during the year ended December 31, 2020 as the acquired intellectual property is not yet completed.

If the Company elects to exercise the option, the Company has agreed to pay to ImmuNext an option exercise fee of $20.0 million. ImmuNext will be eligible to receive up to $4.6 million in potential development milestones, up to $84.3 million in potential regulatory approval milestones, and up to $125.0 million in potential sales milestone payments from us. ImmuNext is also eligible to receive tiered royalties on annual net sales on a product-by-product and country-by-country basis, at percentage rates ranging from high single digits to low double digits, subject to specified adjustments. In addition, the Company has agreed to pay ImmuNext a low double-digit percentage of sublicense revenue received by the Company or its affiliates.

(12) Stock Plans and Stock-Based Compensation

As of December 31, 2021, the Company had two shareholder-approved, stock-based compensation plans: (i) the Amended and Restated 2010 Employee Stock Purchase Plan, (“ESPP”), adopted by the Board of Directors in April 2017 and approved by shareholders in June 2017, and (ii) the Fourth Amended and Restated 2010 Stock Incentive Plan (“2010 Plan”). New employees are typically issued options as an inducement equity award under Nasdaq Listing Rule 5635(c)(4) outside of the 2010 Plan.

The Fourth Amended and Restated 2010 Stock Incentive Plan

The 2010 Plan permits the granting of incentive and non-qualified stock options and stock awards to employees, officers, directors, and consultants of the Company and its subsidiaries at prices determined by the Company’s Board of Directors. In May 2021, the Company's shareholders approved the Company's Fourth Amended and Restated 2010 Stock Incentive Plan to reserve an additional 11,000,000 shares of common stock for issuance under the 2010 Plan. The Company can issue up to 23,190,000 shares of its common stock pursuant to awards granted under the 2010 Plan. Options become exercisable as determined by the Board of Directors and expire up to ten years from the date of grant. The 2010 Plan uses a “fungible share” concept under which each share of stock subject to awards granted as options and stock appreciation rights (“SARs”), will cause one share per share under the award to be removed from the available share pool, while each share of stock subject to awards granted as restricted stock, restricted stock units, other stock-based awards or performance awards where the price charged for the award is less than 100% of the fair market value of the Company’s common stock will cause 1.3 shares per share under the award to be removed from the available share pool. As of December 31, 2021, the Company has only granted options to purchase shares of the Company’s common stock with an exercise price equal to the closing market price of the Company’s common stock on the Nasdaq Global Market on the grant date. As of December 31, 2021, 13,545,440 shares remained available for grant under the 2010 Plan.

During the year ended December 31, 2021, the Company’s board of directors granted options to purchase 1,128,900 shares of the Company’s common stock to officers and employees of the Company under the 2010 Plan. These options vest and become exercisable as to 25% of the shares underlying the award after the first year and as to an additional 6.25% of the shares underlying the award in each subsequent quarter, based upon continued employment over a four-year period, and are exercisable at a price equal to the closing price of the Company’s common stock on the Nasdaq Global Market on the grant dates.

During the year ended December 31, 2021, the Company's board of directors granted options to its non-employee directors to purchase 157,000 shares of common stock under the 2010 Plan, which will vest and become exercisable in one year from the date of grant. These options were granted at an exercise price that equaled the closing market price of the Company's common stock on the Nasdaq Global Market on the grant date.

During the year ended December 31, 2021, the Company's board of directors did not grant any restricted stock awards ("RSA") to officers of the Company.

Nonstatutory Inducement Grants

For certain new employees the Company issued options as an inducement equity award under Nasdaq Listing Rule 5635(c)(4) outside of the 2010 Plan. The option will vest as to 25% of the shares underlying the option on the first anniversary of the grant date, and as to an additional 6.25% of the shares underlying the option on each successive three-month period thereafter. During the year ended December 31, 2021, the Company's board of directors granted inducement equity awards of 720,200 shares of common stock. These options were granted at an exercise price that equaled the closing market price of the Company's common stock on the Nasdaq Global Market on the grant date.

A summary of stock option activity under the 2010 Plan and inducement awards are summarized as follows:

	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (000's)
Outstanding, December 31, 2020	8,668,005	$ 2.71	7.98	
Granted	2,006,100	9.07		
Exercised	(98,886)	1.67		
Canceled	(211,450)	10.09		
Outstanding, December 31, 2021	10,363,769	$ 3.80	7.41	$ 24,749
Exercisable at December 31, 2021	6,127,217	$ 3.24	6.77	$ 16,572
Vested and unvested expected to vest	10,083,019	$ 3.76	7.37	$ 24,287

The weighted average grant date fair values of stock options granted during the years ended December 31, 2021, 2020, and 2019 were $7.25, $0.84, and $0.85, respectively, and were calculated using the following estimated assumptions under the Black-Scholes option pricing model:

	For the Year Ended December 31,		
	2021	2020	2019
Expected term (years)	5.5	5.5	5.5
Risk-free interest rate	0.4-1.4%	0.4-1.7%	1.5-2.6%
Expected volatility	107-111%	80-81%	76-79%
Expected dividend yield	None	None	None

As of December 31, 2021, there was approximately $10.6 million of unrecognized compensation cost related to unvested employee stock option awards outstanding, net of the impact of estimated forfeitures that is expected to be recognized as expense over a weighted average period of 2.1 years. The intrinsic value of employee stock options exercised during the year ended December 31, 2021 was $0.3 million.

Restricted Stock Awards

The following table presents a summary of outstanding RSAs under the 2010 Plan as of December 31, 2021:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested, December 31, 2020	20,624	$ 3.45
Awarded	—	—
Vested	(10,312)	3.45
Forfeited	—	—
Unvested, December 31, 2021	10,312	$ 3.45

As of December 31, 2021, there were 10,312 shares outstanding covered by RSAs that are expected to vest. The weighted average grant date fair value of these shares of restricted stock was $3.45 per share and the aggregate fair value of these shares of restricted stock was less than $0.1 million. As of December 31, 2021, there was less than $0.1 million of unrecognized compensation costs, net of estimated forfeitures, related to RSAs granted to officers and non-employee directors, which are expected to be recognized as expense over a remaining weighted average period of less than 0.1 years.

Amended and Restated 2010 Employee Stock Purchase Plan

The Company has reserved 2,000,000 of its shares of common stock for issuance under the ESPP. Eligible employees may purchase shares of the Company's common stock at 85% of the lower closing market price of the common stock at the beginning of the enrollment period or ending date of the any purchase period within a two-year enrollment period, as defined. The Company has four six-month purchase periods per each two-year enrollment period. If, within any one of the four purchase periods in an enrollment period, the purchase period ending stock price is lower than the stock price at the beginning of the enrollment period, the two-year enrollment resets at the new lower stock price. This aspect of the plan was amended in 2017. Prior to 2017, the plan included two six-month purchase period per year with no defined enrollment period. During the year ended December 31, 2021, 43,860 shares were issued under the ESPP. As of December 31, 2021, there were 1,553,530 shares available for future purchase under the ESPP.

For the years ended December 31, 2021, 2020, and 2019, the Company recorded compensation expense related to its ESPP and calculated the fair value of shares expected to be purchased under the ESPP using the Black-Scholes models with the following assumptions:

	For the Year Ended December 31,		
	2021	2020	2019
Expected term	6-24 months	6-24 months	6 - 24 months
Risk-free interest rate	0.1-0.5%	0.1-0.2%	1.5-2.1%
Volatility	51-154%	97-219%	92-97%
Dividends	None	None	None

Total Stock-Based Compensation Expense

For the years ended December 31, 2021, 2020, and 2019, the Company recorded employee and non-employee stock-based compensation expense to the following line items in its Costs and Expenses section of the Consolidated Statements of Operations and Comprehensive Loss:

	For the Year Ended December 31,		
	2021	2020	2019
Research and development expenses	$ 1,844	$ 731	$ 575
General and administrative expenses	3,435	1,967	2,083
Total stock-based compensation expense	$ 5,279	$ 2,698	$ 2,658

No income tax benefits have been recorded for the years ended December 31, 2021, 2020, and 2019, as the Company has recorded a full valuation allowance and management has concluded that it is more likely than not that the net deferred tax assets will not be realized (see Note 14).

(13) Retirement Savings Plan

The Company has a 401(k) retirement savings plan covering substantially all of the Company's employees. For each of the years ended December 31, 2021, 2020, and 2019, the Company made matching contributions of $0.4 million, $0.2 million, and $0.2 million respectively.

(14) Income Taxes

For the years ended December 31, 2021, 2020, and 2019, the Company did not record any federal or state income tax expense given its continued operating losses.

A reconciliation between income tax benefit and the expected tax benefit at the statutory rate for the years ended December 31, 2021, 2020, and 2019 are as follows:

	For the Year Ended December 31,					
	2021		2020		2019	
Statutory federal income tax rate	21.0	%	21.0	%	21.0	%
State income taxes, net of federal benefit	6.2	%	6.1	%	6.1	%
Research and development tax credits	3.5	%	4.1	%	2.7	%
Orphan drug tax credits	2.9	%	2.3	%	4.6	%
Expiration of NOLs/Credits	(9.8)	%	(29.8)	%	(4.0)	%
Permanent adjustments and other	(0.2)	%	0.3	%	(0.6)	%
Stock based compensation	(9.4)	%	—	%	—	%
Change in valuation allowance	(14.2)	%	(4.0)	%	(29.8)	%
Effective income tax rate	—	%	—	%	—	%

The principal components of the Company's deferred tax assets at December 31, 2021 and December 31, 2020, respectively, are as follows:

	December 31,	
	2021	2020
Deferred Tax Assets:		
NOL carryforwards	$ 68,802	$ 60,759
Research and development tax credit carryforwards	14,801	14,923
Orphan drug tax credit carryforwards	20,096	18,778
Depreciation and amortization	7,493	8,478
Capitalized research and development expenditures	37,528	34,832
Stock options	3,344	6,584
Accrued expenses and other	916	708
Oberland agreement	14,637	15,872
Lease liability ASC 842	1,371	1,846
Total gross deferred tax asset	168,988	162,780
Valuation allowance	(167,424)	(160,987)
Net deferred tax asset	$ 1,564	$ 1,793
Deferred tax liabilities:		
Right of use asset ASC 842	(1,564)	(1,793)
Total gross deferred tax liabilities	$ (1,564)	$ (1,793)
Net deferred tax assets (liabilities)	$ —	$ —

For the years ended December 31, 2021, 2020, and 2019, the Company had tax-effected federal net operating losses ("NOL"), of $58.4, $52.8, and $52.8 million, respectively. The operating losses generated prior to 2019 will expire in years 2022 through 2038, unless previously utilized. The federal operating loss carryforward generated in 2019 and later can be carried forward indefinitely and can be used to offset up to 80% of taxable income of each future tax year. For the years ended

December 31, 2021, 2020, and 2019, the Company had tax-effected state NOLs of $10.4, $8.0, and $5.9 million, respectively. The operating losses will expire in years 2022 through 2040, unless previously utilized.

For the years ended December 31, 2021, 2020, and 2019, the Company had federal research and development credit carryforwards of $11.3 million, $11.4 million, and $11.9 million, respectively. The credits will expire in the years 2022 through 2040.

For the years ended December 31, 2021, 2020, and 2019, the Company had state research and development credit carryforwards of $3.5 million, $3.5 million, and $3.5 million respectively. The credits will expire in the years 2022 through 2036, unless previously utilized.

For the years ended December 31, 2021, 2020, and 2019, the Company had orphan drug tax credit carryforwards of $20.1 million, $18.8 million, and $18.1 million, respectively. These credits, if any, relate to qualified expenses incurred for fimepinostat and emavusertib (CA-4948) since receiving the Orphan Drug designation.

As required by U.S. GAAP, the Company's management has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, and has determined that it is more likely than not that the Company will not recognize the benefits of the deferred tax assets. Accordingly, a valuation allowance of approximately $167.4 million has been established at December 31, 2021.

The valuation allowance increased approximately $6.4 million and $1.2 million during the years ended December 31, 2021 and 2020. The increases in the valuation allowance are primarily due to an increase in net deferred tax assets with an offsetting valuation allowance related to income recorded for tax related to the Oberland royalty purchase agreement.

Utilization of the NOL may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of NOL carryforwards that can be utilized annually to offset future taxable income and tax, respectively. The Company completed a §382 study in 2019 and determined no ownership changes have occurred and no limitation on NOLs through December 31, 2018. There could be additional ownership changes in the future, which may result in additional limitations in the utilization of the carryforward NOLs and credits, and the Company does not expect to have any taxable income for the foreseeable future.

An individual tax position must satisfy for some or all of the benefits of that position to be recognized in a company's financial statements. At December 31, 2021 and 2020, the Company had no unrecognized tax benefits. The Company has not, as yet, conducted a study of its R&D credit carryforwards. This study may result in an adjustment to the Company's R&D credit carryforwards, however, until a study is completed and any adjustment is known, no amounts are being presented as an uncertain tax position under FASB Codification Topic 740 *Income Taxes*. A full valuation allowance has been provided against the Company's R&D credits and, if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the consolidated balance sheet or statement of operations if an adjustment were required.

The tax years 2006 through 2021 remain open to examination by major taxing jurisdictions to which the Company is subject, which are primarily in the U.S., as carryforward attributes generated in years past may still be adjusted upon examination by the Internal Revenue Service ("IRS") or state tax authorities if they have or will be used in a future period. The Company is currently not under examination by the IRS or any other jurisdictions for any tax years. The Company recognizes both accrued interest and penalties related to unrecognized benefits in income tax expense. The Company has not recorded any interest or penalties on any unrecognized tax benefits since its inception.

(15) Related Party Transactions

Agreement with Head of Research and Development - Robert E. Martell, M.D., Ph.D.

In October 2018, the Company entered into an exclusive option and license agreement with Epi-Cure Pharmaceuticals, Inc. ("Epi-Cure"), a privately held early-stage biotechnology company. Robert E. Martell, M.D., Ph.D., the Company's Head of Research and Development and a former director of the Company, is a founder of Epi-Cure, was formerly an officer and director of Epi-Cure, and is currently a holder of a convertible promissory note to Epi-Cure. Under the terms of the option and license agreement, Epi-Cure granted Curis an exclusive option to certain program compounds that may arise during the initial research and development period, and any extension thereof. Upon execution of the option and license agreement, the Company provided Epi-Cure an upfront payment of $0.1 million for legal and consulting costs incurred by Epi-Cure in connection with the transaction. In July 2019, the Company extended the research and development period of the program until April 2020, as permitted under the terms of the agreement.

Under the terms of the agreement, Epi-Cure had primary responsibility for conducting research and development activities and Curis was responsible for funding up to $0.5 million of the research and development program costs and expenses during

the initial research and development period. After the end of the initial research and development period, which ended in April 2020, Curis had sixty days to elect to exercise its option to license the program compounds. In June 2020, the Company decided not to exercise its option to license the program compounds, and the agreement expired.

For the years ended December 31, 2020 and 2019, Curis paid and expensed $0.1 million and $0.3 million, respectively, of fees related to this agreement. No expense has been incurred following the expiration of the agreement in June 2020.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls & Procedures

Our management, with the participation of our chief executive officer, and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2021. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2021, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's report on internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, is included in Item 8 of this annual report on Form 10-K and is incorporated herein by reference.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its 2013 *Internal Control—Integrated Framework*.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, as such term is defined in Rules 13(a)-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, during the fourth quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning directors that is required by this Item 10 will be set forth in our proxy statement for our 2022 annual meeting of stockholders under the headings "Directors and Nominees for Director," and "Board Committees" which information is incorporated herein by reference. The information concerning our code of ethics is set forth in our proxy

statement under the heading “Code of Business Conduct and Ethics.” The name, age, and position of each of our executive officers is set forth under the heading “Information about our Executive Officers” in Part I of this Annual Report on Form 10-K, which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item 11 will be set forth in our proxy statement for our 2022 annual meeting of stockholders under the headings “Executive and Director Compensation and Related Matters,” “Compensation Committee Interlocks and Insider Participation” and “Compensation Committee Report,” which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this Item 12 relating to security ownership of certain beneficial owners and management will be set forth in our 2022 proxy statement under the caption “Security Ownership of Certain Beneficial Owners and Management” and is incorporated herein by reference. Information required by this Item 12 relating to securities authorized for issuance under equity compensation plans will be set forth in our 2022 proxy statement under the caption “Executive and Director Compensation and Related Matters—Securities Authorized for Issuance Under Equity Compensation Plans” and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item 13 will be set forth in our proxy statement for our 2022 annual meeting of stockholders under the headings “Policies and Procedures for Related Person Transactions,” “Determination of Independence” and “Board Committees,” which information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item 14 will be set forth in our proxy statement for our 2022 annual meeting of stockholders under the heading “Independent Registered Public Accounting Firm’s Fees and Other Matters,” which information is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) *Financial Statements*.

(a)(2) *Financial Statement Schedules*.

All schedules are omitted because they are not applicable or the required information is shown in the Financial Statement or Notes thereto.

(a)(3) *List of Exhibits*.

Exhibit No.	Description	Link to Filing	Incorporated by Reference			Filed with this 10-K
			Form	SEC Filing Date	Exhibit Number	
	Articles of Incorporation and By-laws					

Exhibit No.	Description	Link to Filing	Incorporated by Reference			Filed wit this 10-K
			Form	SEC Filing Date	Exhibit Number	
3.1	Restated Certificate of Incorporation of Curis, Inc., as amended	Link	10-Q	11/9/2021	3.1	
3.2	Certificate of Designations of Curis, Inc.	Link	S-3 (333-50906)	8/10/2001	3.2	
3.3	Amended and Restated By-laws of Curis, Inc.	Link	10-K	2/29/2016	3.3	
	Instruments defining the rights of security holders, including indentures					
4.1	Form of Curis Common Stock Certificate	Link	10-K	3/1/2004	4.1	
4.2	Description of Registrants' Securities	Link				X
	Material contracts—Management Contracts and Compensatory Plans					
#10.1	Employment Agreement, dated March 29, 2016, as amended September 24, 2018 by and between Curis, Inc. and James E. Dentzer.	Link	10-Q	11/1/2018	10.2	
#10.2	Employment Agreement, dated September 11, 2019 between Curis, Inc. and William E. Steinkrauss	Link	10-Q	11/5/2019	10.1	
#10.3	Employment Agreement, dated June 1, 2018, by and between Curis, Inc. and Robert E. Martell, M.D., Ph.D.	Link	10-Q	8/2/2018	10.2	
#10.4	Form of Indemnification Agreement, by and between Curis, Inc. and each non-employee director of the Board of Directors of Curis, Inc.	Link	10-Q	8/7/2014	10.3	
#10.5	Curis 2010 Stock Incentive Plan	Link	Def 14A	4/16/2010	Exhibit A	
#10.6	Curis 2010 Employee Stock Purchase Plan	Link	Def 14A	4/16/2010	Exhibit B	
#10.7	Form of Incentive Stock Option Agreement for awards granted to named executive officers under Curis' 2010 Stock Incentive Plan	Link	8-K	6/4/2010	10.1	
#10.8	Form of Non-Statutory Stock Option Agreement for awards granted to directors and named executive officers under Curis' 2010 Stock Incentive Plan	Link	8-K	6/4/2010	10.2	
#10.9	Form of Restricted Stock Agreement for awards granted to directors and named executive officers under Curis' 2010 Stock Incentive Plan	Link	8-K	6/4/2010	10.3	
#10.10	Curis Amended and Restated 2010 Stock Incentive Plan, as amended	Link	8-K	5/28/2015	99.1	
#10.11	Form of Incentive Stock Option Agreement for awards granted to named executive officers under Curis' Amended and Restated 2010 Stock Incentive Plan, as amended	Link	10-K	3/8/2018	10.21	
#10.12	Form of Non-Statutory Stock Option Agreement for awards granted to directors and named executive officers under Curis' Amended and Restated 2010 Stock Incentive Plan, as amended	Link	10-K	3/8/2018	10.22	
#10.13	Form of Restricted Stock Agreement for awards granted to directors and named executive officers under Curis' Amended and Restated 2010 Stock Incentive Plan, as amended	Link	10-K	3/8/2018	10.23	

Exhibit No.	Description	Link to Filing	Incorporated by Reference			Filed wit this 10-K
			Form	SEC Filing Date	Exhibit Number	
#10.14	Form of Incentive Stock Option Agreement (Online Acceptance) for awards granted to named executive officers under Curis' Amended and Restated 2010 Stock Incentive Plan	Link	10-K	3/9/2017	10.21	
#10.15	Form of Nonstatutory Stock Option Agreement (Online Acceptance) granted to directors and named executive officers under Curis' Amended and Restated 2010 Stock Incentive Plan	Link	10-K	3/9/2017	10.22	
#10.16	Curis Second Amended and Restated 2010 Stock Incentive Plan	Link	8-K	5/22/2017	99.1	
#10.17	Form of Incentive Stock Option Agreement for awards granted to named executive officers under Curis' Second Amended and Restated 2010 Stock Incentive Plan	Link	10-K	3/8/2018	10.27	
#10.18	Form of Non-Statutory Stock Option Agreement for awards granted to directors and named executive officers under Curis' Second Amended and Restated 2010 Stock Incentive Plan	Link	10-K	3/8/2018	10.28	
#10.19	Form of Restricted Stock Agreement for awards granted to directors and named executive officers under Curis' Second Amended and Restated 2010 Stock Incentive Plan	Link	10-K	3/8/2018	10.29	
#10.20	Form of Nonstatutory Stock Option Agreement - Inducement Grant pursuant to Nasdaq Stock Market Rule 5635(c)(4)	Link	S-8	1/6/2017	99.1	
#10.21	Curis Third Amended and Restated 2010 Stock Incentive Plan, as amended	Link	8-K	6/10/2020	99.1	
#10.22	Form of Incentive Stock Option Agreement for awards granted to named executive officers under Curis' Third Amended and Restated 2010 Stock Incentive Plan	Link				X
#10.23	Form of Non-Statutory Stock Option Agreement for awards granted to directors and named executive officers under Curis' Third Amended and Restated 2010 Stock Incentive Plan	Link				X
#10.24	Curis Fourth Amended and Restated 2010 Stock Incentive Plan	Link	8-K	6/2/2021	99.1	
#10.25	Curis Amended and Restated 2010 Employee Stock Purchase Plan, as amended	Link	10-K	3/8/2018	10.31	
	Material contracts—Leases					
10.26	Lease, dated December 5, 2019, by and between Curis, Inc. and 128 Spring Street Lexington, LLC relating to the premises at 128 Spring Street, Lexington, Massachusetts	Link	8-K	12/6/2019	10.1	
10.27	First Amendment to Lease Agreement, dated January 27, 2022, by and between Curis, Inc. and 99 Hayden, LLC, successor-in-interest to 128 Spring Street Lexington, LLC	Link	8-K	2/2/2022	10.1	
	Material contracts—Financing Agreements					

Exhibit No.	Description	Link to Filing	Incorporated by Reference			Filed wit this 10-K
			Form	SEC Filing Date	Exhibit Number	
10.28	Consent and Payment Direction Letter Agreement, dated November 20, 2012 and effective as of December 11, 2012 by and between Curis, Inc., Curis Royalty LLC and Genentech, Inc.	Link	10-K	3/13/2013	10.32	
10.29	Consent and Payment Direction Letter Agreement, dated March 3, 2017 by and between Curis, Inc., Curis Royalty LLC and Genentech, Inc.	Link	10-K	3/9/2017	10.28	
†10.30	Purchase and Sale Agreement, dated as of December 11, 2012 between Curis, Inc. and Curis Royalty LLC	Link	10-K	3/13/2013	10.33	
†10.31	Royalty Interest Purchase Agreement, dated March 22, 2019, by and between, Curis, Inc., Curis Royalty LLC, a wholly owned subsidiary of Curis, Inc., TPC Investments I LP and TPC Investments II LP	Link	10-K	3/26/2019	10.40	
10.32	Security Agreement, dated March 22, 2019, by and between, Curis Royalty LLC, a wholly owned subsidiary of Curis, Inc., TPC Investments I LP and TPC Investments II LP	Link	10-K	3/26/2019	10.41	
10.33	Pledge Agreement, dated March 22, 2019, by and between, Curis, Inc., TPC Investments I LP and TPC Investments II LP	Link	10-K	3/26/2019	10.42	
10.34	Consent and Payment Direction Letter Agreement, dated March 22, 2019, by and between Curis, Inc., Curis Royalty LLC and Genentech, Inc.	Link	10-K	3/26/2019	10.43	
	Material contracts—License and Collaboration Agreements					
†10.35	Collaborative Research, Development and License Agreement, dated June 11, 2003, by and between Curis, Inc. and Genentech, Inc.	Link	10-Q	8/6/2015	10.1	
††10.36	Collaboration, License and Option Agreement, dated January 18, 2015, by and between Curis, Inc. and Aurigene Discovery Technologies Limited	Link				X
††10.37	First Amendment to Collaboration, License and Option Agreement, dated September 7, 2016, by and between Curis, Inc. and Aurigene Discovery Technologies Limited	Link				X
†10.38	Second Amendment to Collaboration, License and Option Agreement, dated February 5, 2020, by and between Curis, Inc. and Aurigene Discovery Technologies Limited	Link	10-K	3/19/2020	10.41	
†10.39	Option and License Agreement, dated January 6, 2020 by and between Curis, Inc and ImmuNext, Inc.	Link	10-K	3/19/2020	10.42	
	Material contracts—Miscellaneous					
10.40	Common Stock Purchase Agreement, dated January 18, 2015, by and between Curis, Inc. and Aurigene Discovery Technologies Limited	Link	10-K	2/24/2015	10.34	
10.41	Stock Purchase Agreement, dated September 7, 2016, by and between Curis, Inc. and Aurigene Discovery Technologies Limited	Link	10-Q	11/3/2016	10.3	

Exhibit No.	Description	Link to Filing	Incorporated by Reference			Filed wit this 10-K
			Form	SEC Filing Date	Exhibit Number	
10.42	Registration Rights Agreement, dated January 18, 2015, by and between Curis, Inc. and Aurigene Discovery Technologies Limited	Link	10-K	2/24/2015	10.35	
10.43	Registration Rights Agreement, dated September 7, 2016, by and between Curis, Inc. and Aurigene Discovery Technologies Limited	Link	10-Q	11/3/2016	10.4	
10.44	Common Stock Purchase Agreement, dated February 26, 2020, by and between Curis, Inc. and Aspire Capital Fund, LLC	Link	8-K	2/27/2020	10.1	
10.45	Registration Rights Agreement, dated February 26, 2020, by and between Curis, Inc. and Aspire Capital Fund. LLC	Link	8-K	2/27/2020	4.1	
10.46	Form of Securities Purchase Agreement, dated June 11, 2020, by and among Curis, Inc. and the Purchasers named therein	Link	8-K	6/11/2020	10.1	
10.47	Sales Agreement, dated March 16, 2021, by and among Curis, Inc., Cantor Fitzgerald & Co. and JonesTrading Institutional Services, LLC	Link	S-3ASR	3/16/2021	1.2	
	Code of Conduct					
14	Amended and Restated Code of Business Conduct and Ethics	Link				X
	Additional Exhibits					
21	Subsidiaries of Curis	Link				X
23.1	Consent of PricewaterhouseCoopers LLP	Link				X
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act/15d-14(a) of the Exchange Act	Link				X
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act/15d-14(a) of the Exchange Act	Link				X
32.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(b)/15d-14(b) of the Exchange Act and 18 U.S.C. Section 1350	Link				X
32.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(b)/15d-14(b) of the Exchange Act and 18 U.S.C. Section 1350	Link				X
101.INS	InLine XBRL Instance Document					X
101.SCH	InLine XBRL Taxonomy Extension Schema Document					X
101.CAL	InLine XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	InLine XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	InLine XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	InLine XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File					X

# Indicates management contract or compensatory plan or arrangement.

† Confidential treatment has been granted as to certain portions, which portions have been separately filed with the Securities and Exchange Commission.

†† Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CURIS, INC.

By: /s/ JAMES DENTZER
James Dentzer
President and Chief Executive Officer

Date: February 24, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JAMES DENTZER **James Dentzer**	President, Chief Executive Officer and Director (Principal Executive Officer)	February 24, 2022
/s/ WILLIAM STEINKRAUSS **William Steinkrauss**	Chief Financial Officer and Chief Administrative Officer (Principal Financial and Accounting Officer)	February 24, 2022
/s/ MARTYN D. GREENACRE **Martyn D. Greenacre**	Chairman of the Board of Directors	February 24, 2022
/s/ JOHN A. HOHNEKER **John A. Hohneker**	Director	February 24, 2022
/s/ KENNETH I. KAITIN **Kenneth I. Kaitin**	Director	February 24, 2022
/s/ LORI A. KUNKEL **Lori A. Kunkel**	Director	February 24, 2022
/s/ MARC RUBIN **Marc Rubin**	Director	February 24, 2022

Exhibit 4.2

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following description of registered securities of Curis, Inc. ("us," "our," "we" or the "Company") is intended as a summary only and therefore is not a complete description. This description is based upon, and is qualified by reference to, our certificate of incorporation, our bylaws and applicable provisions of the Delaware General Corporate Law (the "DGCL"). You should read our certificate of incorporation and by-laws, which are incorporated by reference as Exhibit 3.1 and Exhibit 3.3, respectively, to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part, for the provisions that are important to you.

Authorized Capital Stock

Our authorized capital stock consists of 151,875,000 shares of common stock, par value $0.01 per share, and 5,000,000 shares of preferred stock, par value $0.01 per share. Our common stock is registered under Section 12(b) of the Exchange Act.

Common Stock

Voting Rights. For all matters submitted to a vote of stockholders, each holder of common stock is entitled to one vote for each share registered in his or her name on our books. Our common stock does not have cumulative voting rights. Except when a larger vote is required by applicable law, our certificate of incorporation or our by-laws, all elections shall be decided by a plurality, and all other questions shall be decided by a majority of the votes cast by stockholders entitled to vote thereon at a duly held meeting of stockholders at which a quorum is present. The presence in person or by proxy of the holders of record of a majority of our issued and outstanding shares entitled to vote at such meeting constitutes a quorum for the transaction of business at meetings of the stockholders.

Dividends. If our board of directors declares a dividend, holders of common stock will receive payments from our funds that are legally available to pay dividends. However, this dividend right is subject to any preferential dividend rights we may grant to the persons who hold preferred stock, if any is outstanding.

Liquidation and Dissolution. If we are liquidated or dissolved, the holders of our common stock will be entitled to share ratably in all the assets that remain after we pay our liabilities and any amounts we may owe to the persons who hold preferred stock, if any is outstanding.

Other Rights. Holders of the common stock have no right to:

- convert the stock into any other security,
- have the stock redeemed,
- purchase additional stock, or
- maintain their proportionate ownership interest and there are no sinking fund provisions applicable to our common stock.

The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that the Company may designate and issue.

Preferred Stock

We are authorized to issue "blank check" preferred stock, which may be issued in one or more series upon authorization of our board of directors. Our board of directors is authorized to fix the designation of the series, the number of authorized shares of the series, dividend rights and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences and any other rights, powers, preferences and limitations applicable to each series of preferred stock. The authorized shares of our preferred stock are available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange on which our securities may be listed. If the approval of our stockholders is not required for the issuance of shares of our preferred stock, our board may determine not to seek stockholder approval.

A series of our preferred stock could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Our board of directors will make any determination to issue preferred shares based upon its judgment as to the best interests of our stockholders. Our directors, in so acting, could issue preferred stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of our board of

directors, including a tender offer or other transaction that some, or a majority, of our stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price of the stock.

Provisions of Our Certificate of Incorporation and By-laws and the Delaware Law That May Have Anti-Takeover Effects

Board of Directors. Our by-laws provide for a board of directors divided as nearly equally as possible into three classes. Each class is elected to a term expiring at the annual meeting of stockholders held in the third year following the year of such election. The number of directors comprising our board of directors is fixed from time to time by the board of directors.

Removal of Directors by Stockholders. Our by-laws provide that directors may be removed only for cause by the affirmative vote of the holders of 75% of the shares of our capital stock issued, outstanding and entitled to vote.

Advance Notice Provisions. Our by-laws provide that a stockholder must notify us in writing of any stockholder nomination of a director and of any other business that the stockholder intends to bring at a meeting of stockholders not earlier than the 90th day and not later than the 60th day prior to such meeting; provided, if less than 70 days' notice or prior public disclosure of the date of the meeting is given to stockholders, such nomination shall have been mailed or delivered to the Secretary not later than the close of business on the 10th day following the date on which the notice of the meeting was mailed or such public disclosure was made, whichever occurs first.

No Action by Written Consent. Our certificate of incorporation provides that our stockholders may not act by written consent and may only act at duly called meetings of stockholders; and that the affirmative vote of the holders of at least 75% of the shares of capital stock issued and outstanding and entitled to vote shall be required to amend or repeal, or to adopt any provision inconsistent with, the provision of our certificate of incorporation prohibiting stockholders from acting by written consent.

Amendment to Bylaws. Our by-laws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of the holders of a majority of our capital stock issued and outstanding and entitled to vote. In addition, the affirmative vote of the holders of at least 75% of the shares of our capital stock issued and outstanding and entitled to vote shall be required to amend or repeal, or to adopt any provision inconsistent with the provisions of our by-laws related to the powers, number, term, classification, committees, the conduct of business at meetings, action by written consent, removal and filling of vacancies with respect to our board of directors; the calling of special meetings of stockholders; the nomination of directors; notice of business at an annual meeting and any provision relating to the amendment of any of these provisions.

Delaware Business Combination Statute. We are subject to Section 203 of the DGCL ("Section 203"), which prohibits a Delaware corporation from engaging in business combinations with an interested stockholder. An interested stockholder is generally defined as an entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation or any entity or person affiliated with or controlling or controlled by such entity or person ("interested stockholder"). Section 203 provides that an interested stockholder may not engage in business combinations with the corporation for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combinations to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, lease, transfer, pledge or other disposition of 10% or more of the assets of the corporation to or with the interested stockholder;

- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.

Notice of Grant of Stock Options and Option Agreement

Curis, Inc.
ID: 04-3505116
128 Spring Street
Lexington, MA 02421

%%FIRST_NAME%-% %%LAST_NAME%-%	**Option Number:**	%%OPTION_NUMBER%-%
%%ADDRESS_LINE_1%-%	**Plan:**	%%EQUITY_PLAN%-%
%%CITY%-%, %%STATE%-% %%ZIPCODE%-%	**ID:**	%%EMPLOYEE_IDENTIFIER%-%

Effective %%OPTION_DATE,'MM/DD/YYYY'%-% ("Grant Date"), you have been granted a(n) Incentive Stock Option to buy a specified number of shares ("Shares") of CURIS INC. (the "Company") stock at specified price per share ("Exercise Price"). The details of your stock option grant are as follows:

Date of Grant	%%OPTION_DATE,'MM/DD/YYYY'%-%
Vesting Commencement Date	%%VEST_BASE_DATE,'MM/DD/YYYY'%-%
Exercise Price Per Share	%%OPTION_PRICE,'$999,999,999.99'%-%
Total Number of Shares Granted	%%TOTAL_SHARES_GRANTED%-%
Total Exercise Price	%%TOTAL_OPTION_PRICE,'$999,999,999.99'%-%
Term/Expiration Date	%%EXPIRE_DATE_PERIOD1,'MM/DD/YYYY'%-%

Shares in each period will become fully vested on the dates shown below:

Shares	**Vest Type**	**Full Vest**
%%SHARES_PERIOD1,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD1,'MM/DD/YYYY'%-%
%%SHARES_PERIOD2,'999,999,999'%-%	[Quarterly]	%%VEST_DATE_PERIOD2,'MM/DD/YYYY'%-%

By clicking "Accept", you and the Company agree that these options are granted under and governed by the terms and conditions of the Company's Incentive Stock Option Agreement, all of which are attached and made a part of this document.

Terms and Conditions of Incentive Stock Option Agreement

1. Grant of Option.

This agreement evidences the grant by Curis, Inc., a Delaware corporation (the "Company"), on the Grant Date to the Participant, an employee of the Company, of an option to purchase, in whole or in part, on the terms provided herein and in the Company's Third Amended and Restated 2010 Stock Incentive Plan (the "Plan"), the Shares of common stock, $0.01 par value per share, of the Company ("Common Stock") at the Per Share Exercise Price. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on the Expiration Date (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of the Grant Date and as to an additional 6.25% of the original number of Shares at the end of each successive quarterly period following the first anniversary of the Grant Date until the fourth anniversary of the Grant Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

Notwithstanding anything herein to the contrary, upon a termination or cessation of the status of the Participant as an Eligible Participant (as defined below) due to the Participant's death or disability, the option shall become fully vested and exercisable as of the date of such death or disability. For purposes of this agreement, "disability" shall have the meaning set forth in Section 22(e)(3) of the Code.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was

entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of "cause" for termination of employment or other relationship, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean any (i) willful failure by the Participant, which failure is not cured within 30 days of written notice to the Participant from the Company, to perform his or her material responsibilities to the Company or (ii) willful misconduct by the Participant which affects the business reputation of the Company. The Participant's employment shall be considered to have been terminated for Cause if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

5. Transfer Restrictions. This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

6. Provisions of the Plan. This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

Notice of Grant of Stock Options and Option Agreement

Curis, Inc.
ID: 04-3505116
128 Spring Street
Lexington, MA 02421

%%FIRST_NAME%-% %%LAST_NAME%-%	**Option Number:**	%%OPTION_NUMBER%-%
%%ADDRESS_LINE_1%-%	**Plan:**	%%EQUITY_PLAN%-%
%%CITY%-%, %%STATE%-% %%ZIPCODE%-%	**ID:**	%%EMPLOYEE_IDENTIFIER%-%

Effective %%OPTION_DATE,'MM/DD/YYYY'%-% ("Grant Date"), you have been granted a(n) Non-Qualified Stock Option to buy a specified number of shares ("Shares") of CURIS INC. (the "Company") stock at specified price per share ("Exercise Price"). The details of your stock option grant are as follows:

Date of Grant	%%OPTION_DATE,'MM/DD/YYYY'%-%
Vesting Commencement Date	%%VEST_BASE _DATE,'MM/DD/YYYY'%-%
Exercise Price Per Share	%%OPTION_PRICE,'$999,999,999.99'%-%
Total Number of Shares Granted	%%TOTAL_SHARES_GRANTED,'999,999,999'%-%
Total Exercise Price	%%TOTAL_OPTION_PRICE,'$999,999,999.99'%-%
Term/Expiration Date	%%EXPIRE_DATE_PERIOD1,'MM/DD/YYYY'%-%

Shares in each period will become fully vested on the dates shown below:

Shares	Vest Type	Full Vest
%%SHARES_PERIOD1,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD1,'MM/DD/YYYY'%-%
%%SHARES_PERIOD2,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD2,'MM/DD/YYYY'%-%
%%SHARES_PERIOD3,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD3,'MM/DD/YYYY'%-%
%%SHARES_PERIOD4,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD4,'MM/DD/YYYY'%-%
%%SHARES_PERIOD5,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD5,'MM/DD/YYYY'%-%
%%SHARES_PERIOD6,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD6,'MM/DD/YYYY'%-%
%%SHARES_PERIOD7,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD7,'MM/DD/YYYY'%-%
%%SHARES_PERIOD8,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD8,'MM/DD/YYYY'%-%
%%SHARES_PERIOD9,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD9,'MM/DD/YYYY'%-%
%%SHARES_PERIOD10,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD10,'MM/DD/YYYY'%-%
%%SHARES_PERIOD11,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD11,'MM/DD/YYYY'%-%
%%SHARES_PERIOD12,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD12,'MM/DD/YYYY'%-%
%%SHARES_PERIOD13,'999,999,999'%-%	On Vest Date	%%VEST_DATE_PERIOD13,'MM/DD/YYYY'%-%

By clicking “Accept”, you and the Company agree that these options are granted under and governed by the terms and conditions of the Company's Stock Option Plan as amended and the Option Agreement all of which are attached and made a part of this document.

Terms and Conditions of Nonstatutory Stock Option Agreement

1. Grant of Option.

This agreement evidences the grant by Curis, Inc., a Delaware corporation (the "Company"), on the Grant Date to the Participant, an employee of the Company, of an option to purchase, in whole or in part, on the terms provided herein and in the Company's Third Amended and Restated 2010 Stock Incentive Plan (the "Plan"), the Shares of common stock, $0.01 par value per share, of the Company ("Common Stock") at the Per Share Exercise Price. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on Expiration Date (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of the Grant Date and as to an additional 6.25% of the original number of Shares at the end of each successive quarterly period following the first anniversary of the Grant Date until the fourth anniversary of the Grant Date. The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan. Notwithstanding anything herein to the contrary, upon a termination or cessation of the status of the Participant as an Eligible Participant (as defined below) due to the Participant's death or disability, the option shall become fully vested and exercisable as of the date of such death or disability. For purposes of this agreement, "disability" shall have the meaning set forth in Section 22(e)(3) of the Code.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment or other relationship with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment or other relationship. If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of "cause" for termination of employment or other relationship, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean any (i) willful failure by the Participant, which failure is not cured within 30 days of written notice to the Participant from the Company, to perform his or her material responsibilities to the Company or (ii) willful misconduct by the Participant which affects the business reputation of the Company. The Participant's employment or other relationship shall be considered to have been terminated for "Cause" if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

5. Transfer Restrictions. This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

6. Provisions of the Plan. This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

Exhibit 10.37

FINAL

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

COLLABORATION, LICENSE AND OPTION AGREEMENT

This Collaboration, License and Option Agreement (the ***"Agreement"***) is entered into as of January 18, 2015 (the ***"Effective Date"***), by and between **Aurigene Discovery Technologies Limited**, a company organized under the laws of India, having an address of 39-40, KIADB Industrial Area, Phase II, Electronic City Hosur Road, Bangalore - 560100 Karnataka, India (***"Aurigene"***), and **Curis, Inc.**, a corporation organized under the laws of Delaware, USA, having an address of 4 Maguire Road, Lexington, Massachusetts 02421-3112, USA (***"Curis"***).

Recitals

Whereas, Aurigene is a drug discovery and preclinical development company and seeks to find partners for the further development of its drug candidates in a meaningful relationship that will further its long term interests of having a strategic stake in the development and commercialization of the same;

Whereas, Curis is in the business of clinical development and commercialization of drugs, with a strategic focus on the Immuno-oncology and Precision Oncology areas;

Whereas, the Parties desire to establish a collaborative relationship capitalizing on their unique respective and complementary capabilities and expertise, pursuant to which, among other things:

(i) the Parties will select as many Program Target Profiles of mutual interest within the Immuno-oncology and Precision Oncology areas as feasible;

(ii) Aurigene, in consultation with Curis, will conduct discovery, research and preclinical development with respect to each such Program Target Profile, with the goal of identifying a Development Candidate;

(iii) with respect to each Program Target Profile for which Aurigene identifies a Development Candidate, Curis will have the option to obtain an exclusive license to develop and commercialize such Development Candidate, back-up Program Compounds and Products in the Curis Territory;

(iv) if Curis exercises its option with respect to any such Program Target Profile, Aurigene will conduct IND-enabling preclinical development to support IND filing, Curis will be responsible for IND preparation and filing and for conducting further development activities in accordance with an agreed development plan, and each Party will be responsible for commercializing Products in its respective Territory;

in each case, on the terms and subject to the conditions set forth herein; and

Whereas, concurrently with the execution of this Agreement, the Parties are entering into a Stock Purchase Agreement dated as of the Effective Date, pursuant to which Curis is issuing shares of Curis' common stock to Aurigene (the ***"Stock Purchase Agreement"***), and a Registration Rights Agreement dated as of the Effective Date with respect to such shares.

Agreement

Now, Therefore, in consideration of the foregoing premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Aurigene and Curis agree as follows:

1. Definitions

1.1 "Acceptance for Filing" shall mean:

(a) with respect to an IND filed for a Product: (i) in the United States, the date the IND goes into effect in accordance with 21 C.F.R. §312.40(b) (or its successor regulation); (ii) in any other country or group of countries, after filing of an IND with the applicable Regulatory Authority for such country or group of countries, the date upon which enrollment of the first subject in the applicable clinical trial of such Product may legally occur in such country or group of countries; and

(b) with respect to an NDA filed for a Product: (i) in the United States, the receipt of written notice from the FDA in accordance with 21 C.F.R. §314.101(a)(2) (or its successor regulation) that such NDA is officially "*filed*"; (ii) in a Major EU Market, either (A) the receipt of written notice of acceptance of filing of such NDA from the EMA if the centralized EU filing procedure is used or (B) the receipt of written notice of acceptance of filing of such NDA from the applicable Regulatory Authority in such Major EU Market if the centralized EU filing is not used; and (iii) in Japan, the receipt of written notice of acceptance of filing of such NDA from the MHLW.

1.2 "Accounting Standards" shall mean (a) U.S. generally accepted accounting principles or (b) international financial reporting standards; in either case, consistently applied throughout the organization of a particular entity and its Affiliates.

1.3 "Active Program" shall mean a Program with respect to which, as of a given time, at least one of the following is true: (a) any Aurigene activities under the R&D Plan for such Program are ongoing; (b) after Curis has exercised its Option for such Program, any activity with respect to a Program Compound or Product from such Program for which Aurigene is responsible under the Development Plan is either ongoing or has not yet been initiated, *provided*, *however*, that non-initiation of such activity under the Development Plan is not due to failure by Curis to perform any of its obligations under the Development Plan or this Agreement; (c) after

Curis has exercised its Option with respect to such Program, a Program Compound or Product from such Program is being actively developed by one or more of Curis, an Affiliate of Curis or a Sublicensee, *provided*, *however*, that if Curis' failure to actively develop a Program Compound or Product from such Program is due to failure by Aurigene to perform any of its obligations under the Development Plan or this Agreement, then such failure by Curis shall not cause the applicable Program to cease being considered an Active Program; or (d) after Curis has exercised its Option for such Program, any Product from such Program is being actively commercialized in a Major Market by one or more of Curis, an Affiliate of Curis or a Sublicensee.

1.4 "Additional Exclusivity Period" shall have the meaning provided in Section 4.8(a).

1.5 "Additional PTP" shall have the meaning provided in Section 3.1(a).

1.6 "Additional R&D Plan Payments" shall have the meaning provided in Section 6.4.

1.7 "Additional R&D Program" shall mean, with respect to any Additional PTP, a program of discovery, research and preclinical development aimed at generating a Development Candidate and back-up Program Compounds directed to such Additional PTP.

1.8 "Additional R&D Program Option" shall have the meaning provided in Section 4.1(b).

1.9 "Affiliate" shall mean, with respect to a company or other business entity (including a Party), any other company or business entity controlled by, controlling, or under common control with such company or other business entity. For the purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of more than 50% of the outstanding voting securities of a corporation or comparable equity interest in any other type of entity, or otherwise having the power to direct the management and policies of such corporation or other entity. Notwithstanding the foregoing, Dr. Reddy's Laboratories Ltd and its subsidiaries shall not be considered Affiliates of Aurigene for purposes of this Agreement.

1.10 "Applicable Laws" shall mean the applicable provisions of any and all national, supranational, regional, state and local laws, treaties, statutes, rules, regulations, administrative codes, guidances, ordinances, judgments, decrees, directives, injunctions, orders, permits of or from any court, arbitrator, regulatory authority or governmental agency or authority having jurisdiction over or related to the subject item, including the FCPA, Export Control Laws and other comparable laws.

1.11 "Aurigene CMC Activities" shall have the meaning provided in Section 5.1(a).

1.12 "Aurigene Immuno-oncology PTP" shall have the meaning provided in Section 3.1(b)(ii).

1.13 "Aurigene Immuno-oncology PTP Data Package" shall mean a Data Package with respect to an Aurigene Immuno-oncology PTP.

1.14 "Aurigene Invention" shall mean any Invention made solely by one or more employees, consultants or contractors of Aurigene.

1.15 "Aurigene Know-How" shall mean all Information Controlled by Aurigene during the Term that is necessary or useful for the development, manufacture or commercialization of Program Compounds or Products, including Aurigene's interest in Program Inventions and Joint Inventions.

1.16 "Aurigene Patent Rights" shall mean all Patent Rights Controlled by Aurigene during the Term that cover or claim inventions that are necessary or useful for the development, manufacture or commercialization of Program Compounds or Products, including Aurigene's interest in Program Patent Rights and Joint Patent Rights.

1.17 "Aurigene PTP Exclusivity Obligations" shall mean, with respect to a particular Program Target Profile, Aurigene's obligations under Section 4.7 with respect to such Program Target Profile and Curis' rights under Section 3.8 with respect to Follow-On Molecules for such Program Target Profile.

1.18 "Aurigene Technology" shall mean the Aurigene Know-How and Aurigene Patent Rights.

1.19 "Aurigene Territory" shall mean the Republic of India and the Russian Federation.

1.20 "Aurigene Territory License" shall have the meaning provided in Section 4.4.

1.21 "CMC Activities" shall mean, with respect to Development Candidate drug substance, the activities necessary to generate the chemistry, manufacturing and controls section of a US IND or equivalent filing.

1.22 "Collaboration Scope" shall mean Immuno-oncology and Precision Oncology.

1.23 "Combination Product" shall mean a Product that is sold in a finished dosage form containing a Program Compound in combination with one or more Other Actives.

1.24 "Commercially Reasonable Efforts" shall mean, with respect to a Party's efforts to perform any of its obligations with respect to the discovery, research, development or commercialization of Program Compounds, Development Candidates and Products under this Agreement, diligent and sustained efforts commensurate with the level of efforts that a pharmaceutical or biotechnology company in the exercise of its reasonable business judgment would commonly devote to a compound or product of similar market potential or profit potential at a similar stage in development or product life resulting from its own research efforts, based on conditions then prevailing and taking into account, without limitation, issues of safety and efficacy, Regulatory Authority-approved labeling, product profile, the competitiveness of alternative products in the marketplace, the likely timing of the product's entry into the market, the patent and other proprietary position, and other relevant scientific, technical and commercial factors. Payments to Aurigene under this Agreement shall not be considered in evaluating Curis'

obligations to use Commercially Reasonable Efforts. In addition, other compounds or products owned or licensed by a Party shall not be considered in evaluating a Party's obligations to use Commercially Reasonable Efforts. Commercially Reasonable Efforts require, without limitation, that the Party exerting such efforts (i) promptly assign responsibility for its obligations to specific employee(s) or contractor(s) who are held accountable for progress and monitor such progress, on an ongoing basis, (ii) set and continue to seek to achieve specific and meaningful objectives for carrying out such obligations, and (iii) consistently make and implement decisions and allocate resources designed to advance progress with respect to such objectives, in each case in a commercially reasonable manner. In addition, stopping all material work on a Program for more than four (4) consecutive months, other than as required by Applicable Law or Regulatory Authority, shall not be considered Commercially Reasonable Efforts.

1.25 "Competing Program" shall mean, with respect to a particular Program Target Profile, a research and development program, other than the Program for such Program Target Profile, that is directed to compounds the primary mechanism of action of which is modulation of such Program Target Profile (*i.e.*, compounds that would be Program Compounds if generated under such Program).

1.26 "Compound" shall mean any molecule generated by Aurigene in the performance of a Program, or previously generated by Aurigene and specifically designated by Aurigene for study in a Program.

1.27 "Confidential Information" of a Party shall mean, subject to the exceptions set forth in Section 8.2, any confidential or proprietary information, including all Information, that is disclosed or made available by or on behalf of such Party (the ***"Disclosing Party"***) to the other Party (the ***"Receiving Party"***) or any of the Receiving Party's Representatives in connection with this Agreement, whether in writing, orally, visually or otherwise, including: (a) all "Proprietary Information" (as such term is defined in the Mutual CDA) disclosed or made available by or on behalf of such Party to the other Party or any of its Representatives pursuant to the Mutual CDA; and (b) in the case of Aurigene, all "Proprietary Structure Information" (as such term is defined in the Mutual CDA) and "Confidential Information" (as such term is defined in the Supplemental CDA) disclosed or made available by or on behalf of Aurigene to Curis or its Representatives pursuant to the Mutual CDA or the Supplemental CDA, respectively. Notwithstanding the foregoing, the Parties agree that all Joint Inventions shall be considered the Confidential Information of both Parties for purposes of this Agreement, and each Party shall be considered a Receiving Party with respect thereto.

1.28 "Control" or **"Controlled"** shall mean, with respect to any Information, Patent Rights or other intellectual property rights, possession by an entity of the ability (whether by ownership, license or otherwise) to grant access to, to grant use of, or to grant a license or a sublicense of or under such Information, Patent Rights or intellectual property rights without violating the terms of any agreement or other arrangement with any Third Party.

1.29 "CREATE Act" means the Leahy-Smith America Invents Act, 35 U.S.C. § 102(c).

1.30 "Curis Data" shall mean all data and results of any research, preclinical, clinical, stability, toxicology or other study of any Program Compound or Product conducted by or on behalf of Curis during the Term. For clarity, studies conducted by or under direction of Aurigene are not considered studies conducted on behalf of Curis.

1.31 "Curis Invention" shall mean any Invention made solely by one or more employees, consultants or contractors of Curis.

1.32 "Curis Know-How" shall mean all Information Controlled, except by virtue of any License granted to Curis under this Agreement, by Curis during the Term that is necessary or useful for the development, manufacture or commercialization of Program Compounds or Products, including Curis Data and Curis' interest in Program Inventions, if any, and Joint Inventions.

1.33 "Curis Net Sales" shall have the meaning provided in Section 6.7.

1.34 "Curis Patent Rights" shall mean all Patent Rights Controlled, except by virtue of any License granted to Curis under this Agreement, by Curis during the Term that cover or claim inventions that are necessary or useful for the development, manufacture or commercialization of Program Compounds or Products, including Curis' interest in Program Patent Rights, if any, and Joint Patent Rights.

1.35 "Curis Technology" shall mean Curis Know-How and Curis Patent Rights.

1.36 "Curis Territory" shall mean the entire world, excluding the Aurigene Territory.

1.37 "Data Package" shall mean, with respect to either an Aurigene Immuno-oncology PTP or a Follow-On Molecule Profile, as applicable, a package containing:

(a) data and other information regarding the proposed Target Molecular Profile for such Aurigene Immuno-oncology PTP or Follow-On Molecule Profile, including the intended mode of action of the potential Program Compounds or the Follow-On Molecules, as applicable, generated or to be generated, and broad pharmacokinetic, pharmacodynamic, efficacy and safety parameters that are expected to be achieved as well as a proposed medicinal chemistry approach for generating a Program Compound or Follow-On Molecule, as applicable, with estimated timelines for Development Candidate identification; and

(b) data regarding compounds discovered or generated by Aurigene for such Aurigene Immuno-oncology PTP or Follow-On Molecule Profile that demonstrate at least [**] of the following:

i. on target cellular activity and cellular pharmacodynamic readout;

ii. selectivity against related targets; and

iii. *in vivo* exposure sufficient to achieve target modulation.

1.38 "Data Package Review Period" shall mean, with respect to an Aurigene Immuno-oncology PTP Data Package or Follow-On Molecule Profile Data Package, a period of [**] days from the delivery of such Data Package to Curis, subject to extension at Curis' reasonable request and Aurigene's approval (which shall not be unreasonably withheld) for up to an additional [**] days as reasonably necessary (a) for Curis to (i) review such Data Package in the event that it includes substantial data or information that has not previously been disclosed to Curis (via the SOC or otherwise), or (ii) conduct appropriate patentability analyses or freedom-to-operate searches with respect to the compounds described in such Data Package, or (b) to address other *bona fide* scientific or intellectual property questions or concerns raised by Curis during the [**]-day period after delivery of such Data Package. Notwithstanding the foregoing, if Curis determines during the [**]-day period after delivery of such Data Package that such Information delivered by Aurigene does not constitute a Data Package as defined by Section 1.37, then Curis shall promptly call an SOC meeting, to be held within [**] days of Aurigene's delivery of the purported Data Package. If the SOC cannot unanimously reach a determination at such meeting whether or not the Information delivered by Aurigene constitutes a Data Package as defined by Section 1.37, then the Parties shall submit the matter to an independent Third Party expert with at least 15 years of experience in pharmaceutical industry practices with respect to the development of pharmaceutical products for resolution, which expert shall be agreed upon by both Parties or, failing such agreement, designated by the International Centre for Dispute Resolution located in New York City, NY. The sole authority of such expert will be to determine whether or not the Information delivered by Aurigene constitutes a Data Package as defined by Section 1.37, and such expert's determination shall be final and binding upon the Parties. The independent Third Party expert shall be required to make his or her determination within [**] days after selection of the independent Third Party expert. The Parties shall initially bear the fees and expenses of such expert equally, but the prevailing Party shall reimburse the other Party for the documented fees and expenses of such expert paid by the prevailing Party. The Data Package Review Period shall be tolled during the above dispute resolution procedure, and if it is determined by either the SOC or the independent Third Party expert that the Information delivered by Aurigene did not constitute a Data Package, then the Data Package Review Period shall not begin until Aurigene delivers sufficient Information to constitute a Data Package.

1.39 "Development Candidate" shall mean, with respect to a Program, a Lead Candidate that meets the Target Molecular Profile criteria set forth in the R&D Plan for such Program and is selected by the SOC for advancement to IND-enabling studies.

1.40 "Development Candidate Data Package" shall have the meaning provided in Section 3.6.

1.41 "Development Plan" shall have the meaning provided in Section 5.1(a).

1.42 "Disclosing Party" shall have the meaning provided in Section 1.27.

1.43 "EMA" shall mean the European Medicines Agency, or any successor agency thereto having the administrative authority to regulate the marketing of human pharmaceutical products in the EU.

1.44 "EU" shall mean the European Union.

1.45 "Exclusive Program Target Profile" shall mean a Program Target Profile for which, as of a given date, there is an Active Program.

1.46 "Exclusivity Option Fee" shall have the meaning provided in Section 6.2(a).

1.47 "Exclusivity Period" shall mean the Initial Exclusivity Period and, if applicable, each Additional Exclusivity Period for which Curis timely pays the applicable Exclusivity Option Fee (but, for the avoidance of doubt, excluding any Extended Exclusivity Period).

1.48 "Executives" shall have the meaning provided in Section 2.6.

1.49 "Export Control Laws" shall mean all applicable US laws and regulations relating to (a) sanctions and embargoes imposed by the Office of Foreign Assets Control of the US Department of Treasury or (b) the export or re-export of commodities, technologies, or services, including the Export Administration Act of 1979, 24 U.S.C. §§ 2401-2420, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706, the Trading with the Enemy Act, 50 U.S.C. §§ 1 et. seq., the Arms Export Control Act, 22 U.S.C. §§ 2778 and 2779, and the International Boycott Provisions of Section 999 of the U.S. Internal Revenue Code of 1986 (as amended).

1.50 "Extended Exclusivity Fee" shall have the meaning provided in Section 6.2(b).

1.51 "Extended Exclusivity Period" shall have the meaning provided in Section 4.8(b).

1.52 "FCPA" shall mean the US Foreign Corrupt Practices Act (15 U.S.C. Section 78dd-1, et. seq.) as amended.

1.53 "FDA" shall mean the US Food and Drug Administration, or any successor agency thereto having the administrative authority to regulate the marketing of human pharmaceutical products in the US.

1.54 "Field" shall mean any and all uses.

1.55 "First Commercial Sale" shall mean the first sale of a Product by Curis or any of its Affiliates or Sublicensees to a Third Party for end use or consumption of such Product in a country after the applicable Regulatory Authority of such country has granted Regulatory Approval of such Product.

1.56 "Follow-On Molecule" shall mean, with respect to any Program for which Curis has exercised its Option, any molecule:

(a) the primary mechanism of action of which is modulation of the Program Target Profile for such Program;

(b) that is not a Program Compound from such Program; and

(c) the composition of matter of which is not covered by any Aurigene Patent Right.

1.57 "Follow-On Molecule Data Package" shall mean a Data Package with respect to a Follow-On Molecule Profile.

1.58 "Follow-On Molecule Profile" shall mean a Program Target Profile with respect to which Aurigene conducts research and discovery of Follow-On Molecules during the Exclusivity Period, and, in the case of any Exclusive Program Target Profile, any Extended Exclusivity Period(s).

1.59 "GCP" shall mean the then current "good clinical practices" as such term is defined from time to time by the FDA, EMA or other Regulatory Authority of competent jurisdiction pursuant to its regulations, guidelines or otherwise, as applicable.

1.60 "Generic Version" shall mean, with respect to a Product, on a country-by-country basis, a pharmaceutical product that: (a) is sold in a given country by a Third Party, other than Curis, any of its Affiliates or any Sublicensee, or any other Third Party in a chain of distribution originating from Curis, any of its Affiliates or any Sublicensee; (b) contains the same Program Compound (and, if such Product is a fixed-dose combination that also contains any other active pharmaceutical ingredient that is not a Program Compound, the same other active ingredient(s)) as such Product in the same dosage form, strength (for each active ingredient and route of administration) as such Product; and (c) has been approved for marketing by the relevant Regulatory Authority in such country in reliance on the Marketing Approval for such Product in such country, including any such pharmaceutical product that has been approved for marketing (i) in the US, pursuant to Section 505(b)(2) or Section 505(j) of the Act (21 U.S.C. §355(b)(2) or 21 U.S.C. §355(j), respectively), (ii) in the EU or an EU member state, as a "generic medicinal product" pursuant to Article 10 of Parliament and Council Directive 2001/83/EC as amended (including an application under Article 6.1 of Parliament and Council Regulation (EC) No 726/2004 that relies for its content on any such provision), or (iii) in any other country or jurisdiction, pursuant to any equivalent of the foregoing laws, regulations or directives, wherein the approval of such pharmaceutical product is based on reference to the Marketing Approval for such Product in such country and a demonstration of bio-equivalence to such Product and, in each case, which may be substituted for the Product without any action by the physician or health care practitioner.

1.61 "GLP" shall mean the then current "good laboratory practices" as such term is defined from time to time by the FDA, EMA or other Regulatory Authority of competent jurisdiction pursuant to its regulations, guidelines or otherwise, as applicable.

1.62 "GMP" shall mean the then current "good manufacturing practices" as such term is defined from time to time by the FDA, EMA or other Regulatory Authority of competent jurisdiction pursuant to its regulations, guidelines or otherwise, as applicable.

1.63 "Governmental Authority" means the government of the US, any other nation or any political subdivision thereof, whether state or local, and any agency, authority,

instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the EU or the European Central Bank).

1.64 "HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.65 "ICH" means the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use.

1.66 "Immuno-oncology" shall mean modulation of any immuno-modulating targets that primarily involve T-cell interaction, whether with other immune cells, tumor cells or cells in the tumor microenvironment.

1.67 "IND" shall mean an Investigational New Drug Application filed with the FDA, or the equivalent application or filing filed with any equivalent Regulatory Authority outside the US (including any supra-national agency such as in the EU) necessary to commence human clinical trials in such jurisdiction.

1.68 "Indication" shall mean a specific disease, disorder or condition bearing a distinct reference number under the ICD-9 defined by the US Department of Health and Human Services. Two Indications have distinct reference numbers when any of the first three numbers of the reference is different. By way of example, acute post-operative pain bears reference number 338.18 and acute pain due to trauma bears reference number 338.11; these two would not be considered as different Indications. By way of comparison, diabetic neuropathy bears reference number 250.6 and post-herpetic neuralgia bears reference number 052.12; these two would be considered as different Indications. For further clarification, the treatment of a disease, disorder or condition in a particular patient population and the treatment of the same disease, disorder or condition in a different population (*e.g.*, adult population and pediatric population) will not be treated as separate Indications.

1.69 "Information" shall mean all tangible and intangible (a) techniques, technology, practices, trade secrets, inventions (whether patentable or not), methods, knowledge, know-how, skill, experience, test data and results (including pharmacological, toxicological and clinical test data and results), analytical and quality control data, results or descriptions, software and algorithms and (b) compositions of matter, cells, cell lines, assays, animal models and physical, biological or chemical material.

1.70 "Initial Exclusivity Period" shall mean the period beginning on the Effective Date and expiring on the earlier of (a) 24 months from the Effective Date or (b) 30 days after achievement of the Initial Immuno-oncology Clinical Milestone.

1.71 "Initial Immuno-oncology Clinical Milestone" shall mean, as determined by the SOC, the first demonstration of on-target pharmacodynamic activity in more than one human subject using a Program Compound directed to a Product Target Profile in Immuno-oncology.

1.72 "Initial Ownership Percentage" shall have the meaning provided in Section 6.1.

1.73 "Initial PTP" shall mean PTP1, PTP2, PTP3 or PTP4.

1.74 "Initiation" of a human clinical trial shall mean the first dosing, whether of the investigational product, placebo or comparator, of the fifth subject so dosed in such trial.

1.75 "Invention" shall mean any invention, whether or not patentable, made in the course and as a result of the conduct of the activities contemplated by this Agreement.

1.76 "Joint Invention" shall mean any Invention made jointly by one or more employees, consultants or contractors of Aurigene and one or more employees, consultants or contractors of Curis.

1.77 "Joint Patent Rights" shall mean all Patent Rights that cover or claim any Joint Invention.

1.78 "Lead Candidate" shall mean, with respect to a Program, a Program Compound that meets the criteria set forth in the R&D Plan for such Program and that the SOC determines warrants further advancement with a goal of qualification as a Development Candidate.

1.79 "License" shall have the meaning provided in Section 4.3.

1.80 "Licensed Program" shall have the meaning provided in Section 4.3.

1.81 "Major EU Market" shall mean (a) any of the following countries: France, Germany, Italy, Spain and the United Kingdom; or (b) the EU as a whole.

1.82 "Major Market" shall mean any of the following countries: the US, the Major EU Markets and Japan.

1.83 "MHLW" shall mean the Japanese Ministry of Health, Labour and Welfare (*i.e.*, Koseisho), or any successor agency thereto.

1.84 "Mutual CDA" shall mean that certain Mutual Confidential Disclosure Agreement between the Parties dated February 27, 2014, as amended by that certain Amendment to the Mutual Confidential Disclosure Agreement dated October 26, 2014, and that certain Second Amendment to the Mutual Confidential Disclosure Agreement dated November 4, 2014.

1.85 "NDA" shall mean: (a) a New Drug Application, as more fully defined in 21 C.F.R. 314.5 et seq. (or any successor regulation thereto); or (b) the equivalent application filed with any equivalent Regulatory Authority outside the US; including, in each case, all amendments and supplements thereto.

1.86 "Net Sales" shall mean the gross amounts invoiced for sales or other dispositions of Products by or on behalf of Curis, any of its Affiliates, or any Sublicensee (each, a ***"Selling Party"***) to Third Parties (other than a Selling Party), less the following deductions actually

incurred, allowed, paid, accrued or otherwise specifically allocated to Products by the Selling Party (if not previously deducted in calculating the amount invoiced), all in compliance with applicable Accounting Standards, consistently applied by the Selling Party:

(a) normal and customary trade discounts, including trade, cash and quantity discounts, rebates or credits, actually allowed or taken;

(b) credits, refunds or allowances actually granted or made for rejection of or return of previously sold Products, including recalls, or for retroactive price reductions and billing errors;

(c) governmental and other rebates (or credits or other equivalents thereof) actually granted to managed health care organizations, commercial insurance companies, pharmacy benefit managers (or equivalents thereof), distributors, national, state/provincial, local, and other governments, their agencies and purchasers, and reimbursers, or to trade customers;

(d) reasonable and customary fees paid to wholesalers, group purchasing organizations, Third Party payors and managed care entities, in each case based on the sale or dispensing of the Product;

(e) charges separately invoiced to customers for freight, insurance, transportation, postage and handling; and

(f) taxes, custom duties or other governmental charges (including any tax such as a value added or similar tax or government charge but excluding what is commonly known as income tax) levied on or measured by the billing amount for Products, as adjusted for rebates and refunds, in each case separately invoiced to the customer.

In no event shall any particular amount identified above be deducted more than once in calculating Net Sales (*i.e.*, no "double counting" of deductions).

For clarification, sale of Product by a Selling Party to another Selling Party for resale by such entity to a Third Party (other than a Selling Party) shall not be deemed a sale for purposes of this definition of "Net Sales," provided that the subsequent resale is included in the computation of Net Sales. Further, transfers or dispositions of Product, without consideration: (A) in connection with patient assistance programs; (B) for charitable or promotional purposes; (C) for preclinical, clinical, regulatory or governmental purposes or under so-called "named patient" or other limited access programs; or (D) for use in any tests or studies reasonably necessary to comply with Applicable Law, regulation or request by a Regulatory Authority, shall not, in each case of (A) through (D), be deemed sales of such Product for purposes of this definition of "Net Sales."

On a country-by-country basis, if a Product under this Agreement is sold in the form of a Combination Product in a country, Net Sales for the purpose of determining royalties due hereunder shall be calculated as follows:

i. Where both Product containing the Program Compound as its sole active pharmaceutical ingredient (***"Mono Product"***) and all Other Active(s) in such Combination Product are sold separately in such country, Net Sales shall be calculated by multiplying actual Net Sales of such Combination Product in such country as determined under the first paragraph of this Section 1.86 by the fraction A/(A+B), where A is the net invoice price of Mono Product in such country, and B is the sum of the net invoice prices of the Other Active(s) in the combination when sold separately in such country.

ii. If Mono Product is sold in such country, but none of the Other Active(s) is sold separately in such country, Net Sales shall be calculated by multiplying actual Net Sales of such Combination Product in such country as determined under the first paragraph of this Section 1.86 by the fraction A/C, where A is the net invoice price of such Mono Product in such country, and C is the net invoice price of the Combination Product in such country.

iii. If no Mono Product is sold separately in such country, but the Other Active(s) are sold separately in such country, Net Sales shall be calculated by multiplying actual Net Sales of such Combination Product in such country as determined under the first paragraph of this Section 1.86 by the fraction (C-D)/C, where C is the net invoice price of the Combination Product in such country, and D is the sum of the net invoice prices charged for the Other Active(s) in the Combination Product when sold separately in such country.

iv. If neither Mono Product nor the Other Active(s) are sold separately in such country, Net Sales for the purpose of determining royalties due hereunder for the Combination Product shall be determined by mutual agreement of the Parties in good faith taking into account the relative value contributions of the Program Compound portion of the Combination Product and the Other Active(s) in the Combination Product; *provided*, *however*, that in no event shall the relative value contribution of the Program Compound portion of the Combination Product be less than [**]%. In case of disagreement, an independent expert agreed upon by both Parties or, failing such agreement, designated by the International Centre for Dispute Resolution located in New York City, NY, shall determine such relative value contributions and such determination shall be final and binding upon the Parties.

1.87 "Non-Royalty Sublicense Revenues" shall mean, with respect to a particular Licensed Program, all amounts actually received by Curis and its Affiliates from a particular Sublicensee in consideration of the grant to such Sublicensee of a sublicense under the License granted by Aurigene to Curis with respect to such Licensed Program. Without limiting the generality of the foregoing, Non-Royalty Sublicense Revenues shall include up-front fees, license fees, milestone payments (subject to Section 6.9(c)), technology access fees, premiums above the fair market value on sales of debt or equity securities of Curis or of an Affiliate and annual maintenance fees, and any other payments attributable to the grant to such Sublicensee of a sublicense under the License for such Licensed Program. However, Non-Royalty Sublicense Revenues shall <u>*exclude*</u>: (i) Sublicensee Royalties; (ii) *bona fide* research and development funding received from a Sublicensee for Curis' or its Affiliate's employees' performance of specified research and development work (*e.g.*, FTE funding) after the date of the sublicense, which may be calculated on a fully-burdened basis, and reimbursement by such Sublicensee of documented external costs incurred by Curis or its Affiliate after the date of the sublicense for

specialized materials (except for standard materials costs included in Curis' or its Affiliate's fully-burdened FTE rate), specialized equipment and Third Party services, in each case, specifically for such specified research and development work; (iii) payments for equity securities of Curis or its Affiliate that are at or below the fair market value of such securities on the date of receipt, as determined in good faith by Curis' or its Affiliate's Board of Directors, if such securities are not then traded on a public securities exchange, or as determined by the closing price of such securities of Curis or its Affiliate (as applicable) on the date of receipt, if such securities are then traded on a public securities exchange; (iv) payments for debt securities of Curis or its Affiliate except to the extent such debt is forgiven or cancelled other than in exchange for payment in full (whether in cash or in kind); and (v) payments and reimbursements by any Sublicensee of patent costs actually incurred by Curis or its Affiliate after the date of the sublicense with respect to Patent Rights under the License granted by Aurigene to Curis with respect to the Licensed Program and are sublicensed to the Sublicensee.

1.88 "Option" shall mean an R&D Program Option or Additional R&D Program Option, as applicable.

1.89 "Option Period" shall have the meaning provided in Section 4.2(a), subject to Section 4.2(b), if applicable.

1.90 "Other Active" shall mean any active pharmaceutical ingredient that is not a Program Compound.

1.91 "Party" shall mean Aurigene or Curis individually, and **"Parties"** shall mean Aurigene and Curis collectively.

1.92 "Patent Rights" shall mean all (a) patents, re-examinations, reissues, renewals, extensions, term restorations, and supplementary protection certificates, or any like filing thereof, and (b) pending applications for patents, including provisional applications, continuations, continuations-in-part, divisional and substitute applications, including confirmation patents, registration patents, patents of addition, inventors' certificates, and foreign counterparts thereof.

1.93 "Person" shall mean any individual, partnership, joint venture, limited liability company, corporation, firm, trust, association, unincorporated organization, Governmental Authority or agency, or any other entity not specifically listed herein.

1.94 "Phase 1 Trial" shall mean a human clinical trial that would satisfy the requirements for a Phase 1 study as defined in 21 CFR § 312.21(a) (or any amended or successor regulations).

1.95 "Phase 2 Trial" shall mean a human clinical trial that would satisfy the requirements for a Phase 2 study as defined in 21 CFR § 312.21(b) (or any amended or successor regulations).

1.96 "Phase 3 Trial" shall mean a human clinical trial that would satisfy the requirements for a Phase 3 study as defined in 21 CFR § 312.21(c) (or any amended or successor regulations).

1.97 "Pierre Fabre Agreement" shall mean that certain Collaborative License, Development and Commercialization Agreement between Aurigene and Pierre Fabre dated February 11, 2014, as amended to date.

1.98 "Pivotal Trial" shall mean: (a) a Phase 3 Trial; or (b) any other human clinical trial that the applicable Regulatory Authority has agreed, whether before first dosing of the first patient in such trial (*e.g.*, pursuant to a special protocol assessment agreement with the FDA) or after first dosing of the first patient in such trial (*e.g.*, based on an interim data analysis), is sufficient to form the primary basis of an efficacy claim in an NDA submission, regardless of whether the sponsor of such trial characterizes or refers to such trial as a "Phase 3," "Phase 2b" or "Phase 2b/3" trial (or otherwise) in the applicable protocol, on clinicaltrials.gov, or in any other context. If a human clinical trial does not constitute a Pivotal Trial at the time of first dosing of the first patient in such trial, but is later determined by the applicable Regulatory Authority to be sufficient to form the primary basis of an efficacy claim in an NDA submission, then, for purposes of Section 6.6 hereof, and notwithstanding Section 1.74 hereof, "Initiation" of such Pivotal Trial shall be deemed to have occurred on the date of such determination by the applicable Regulatory Authority.

1.99 "Precision Oncology" shall mean any molecular target mutually agreed between the Parties to be included as a therapeutic strategy to modulate the activity of a cellular protein whose encoding gene is altered (mutation, amplification, translocation) in a population of human cancers. IRAK-4 is considered a Precision Oncology target.

1.100 "Product" shall mean a pharmaceutical composition or preparation containing or comprising a Program Compound (whether or not as the sole active ingredient), including, in each case, all formulations and dosage forms thereof.

1.101 "Program" shall mean an R&D Program or Additional R&D Program.

1.102 "Program Compound" shall mean, with respect to a Program Target Profile, any Compound the primary mechanism of action of which, as demonstrated in biochemical or pharmacologic assays (including cell-based or *in vivo* as relevant), is modulation of such Program Target Profile and, with respect to its primary mechanism of action, only such Program Target Profile.

1.103 "Program Invention" shall mean: (a) any Aurigene Invention or Curis Invention that is made under a Program; or (b) any Joint Invention that is made under a Program.

1.104 "Program Know-How" shall mean all Information generated by or on behalf of Aurigene or Curis or jointly by or on behalf of Aurigene and Curis under a Program, including Program Inventions.

1.105 "Program Patent Rights" shall mean all Patent Rights claiming Program Inventions.

1.106 "Program Target Profile" shall mean the protein or gene target(s) selected by the Parties whose activity is intended to be specifically modulated using Compounds as set forth in the R&D Plan for a Program.

1.107 "Program Technology" shall mean Program Patent Rights and Program Know-How.

1.108 "PTP1" shall mean IRAK4.

1.109 "PTP2" shall mean PD1 pathway.

1.110 "PTP3" shall mean the first Program Target Profile, other than PTP1 and PTP2, selected by the SOC or Curis (as applicable) after the Effective Date pursuant to Section 3.1(b).

1.111 "PTP4" shall mean the first Program Target Profile selected by the SOC or Curis (as applicable) pursuant to Section 3.1(b) after selection of PTP3.

1.112 "R&D Plan" shall mean have the meaning provided in Section 3.2.

1.113 "R&D Program" shall mean, with respect to each Initial PTP, a program of discovery, research and preclinical development aimed at generating a Development Candidate and back-up Program Compounds directed to the applicable Program Target Profile.

1.114 "R&D Program Option" shall have the meaning provided in Section 4.1(a).

1.115 "Receiving Party" shall have the meaning provided in Section 1.27.

1.116 "Regulatory Approval" shall mean any and all approvals (including price and reimbursement approvals, if required for marketing or sale), licenses, registrations, or authorizations of any Regulatory Authority that are necessary for the manufacture, use, storage, import, transport or sale of a Product in a country or other regulatory jurisdiction.

1.117 "Regulatory Authority" shall mean any national, supranational or other regulatory agency, department, bureau or other governmental or regulatory authority having the administrative authority to regulate the development or marketing of pharmaceutical products in any country or other jurisdiction, including the FDA, EMA and MHLW.

1.118 "Regulatory Filing" means any IND, NDA, drug dossier or master file filed, or Regulatory Approval obtained, with respect to a Product or Program Compound, including all amendments, supplements, annual reports and the like filed or otherwise provided to the applicable Regulatory Authority.

1.119 "Representatives" of a Party shall mean such Party's officers, directors, employees and consultants.

1.120 "Research Term" shall mean the period beginning upon SOC recommendation of the Research Plan for the first R&D Program and, subject to earlier termination of this Agreement, expiring upon the completion by Aurigene of its obligations under all R&D Plans.

1.121 "Royalty Term" shall have the meaning provided in Section 6.13.

1.122 "SOC" shall have the meaning provided in Section 2.1.

1.123 "Sublicensee" shall mean, with respect to a particular Licensed Program, a Third Party sublicensee under the License granted by Aurigene to Curis with respect to such Licensed Program, whether such Third Party's sublicense was granted to it directly by Curis or its Affiliate or indirectly through one or more tiers of sublicense.

1.124 "Sublicensee Royalties" shall mean, on a Licensed Program-by-Licensed Program and Sublicensee-by-Sublicensee basis, all royalties received by Curis and its Affiliates on sales or other dispositions of Products from such Licensed Program by each Sublicensee and its further Sublicensees (if any).

1.125 "Supplemental CDA" shall mean that certain Supplemental Nondisclosure Agreement between the Parties dated November 6, 2014.

1.126 "Target Molecular Profile" shall have the meaning provided in Section 3.2(b)(iii).

1.127 "Target Product Profile" shall have the meaning provided in Section 5.1(a).

1.128 "Taxes" shall mean any and all present or future income, stamp or other taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest or penalties thereon.

1.129 "Term" shall have the meaning provided in Section 11.1.

1.130 "Terminated Program" shall mean:

(a) in the case of termination of this Agreement in its entirety by Aurigene pursuant to Section 11.2(a), any Program that was a Licensed Program immediately prior to such termination, but excluding, other than termination under Section 11.2(a) for uncured material payment breach, any such Licensed Program for which Initiation of the first Pivotal Trial of a Product has occurred prior to such termination;

(b) in the case of any termination of this Agreement as to a particular Licensed Program by Aurigene either pursuant to Section 11.2(a) (to the extent said Section permits termination as to such Licensed Program) or pursuant to Section 11.2(b)(ii), such Licensed Program;

(c) in the case of any termination of this Agreement in its entirety by Curis pursuant to Section 11.4, any Program that was a Licensed Program immediately prior to such termination; or

(d) in the case of any termination of this Agreement as to a particular Licensed Program by Curis pursuant to Section 11.4, such Licensed Program;

provided, *however*, that, in the case of paragraphs (c) and (d) above, if Curis' termination of this Agreement in its entirety or as to a particular Licensed Program pursuant to Section 11.4 was with respect only to a particular country or subset of countries within the Curis Territory (as applicable, a ***"Terminated Region"***), the applicable Licensed Program(s) shall be considered "Terminated Program(s)" only in the Terminated Region but shall remain Licensed Program(s) in the rest of the Curis Territory.

1.131 "Terminated Region" shall have the meaning provided in Section 1.130.

1.132 "Territory" shall mean the Aurigene Territory or the Curis Territory.

1.133 "Third Party" shall mean any Person other than Aurigene and its Affiliates, and Curis and its Affiliates.

1.134 "Upfront Equity Issuance" shall have the meaning provided in Section 6.1.

1.135 "US" shall mean the United States of America.

1.136 "Valid Claim" shall mean a claim contained in (a) an issued and unexpired patent which has not been held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through abandonment, reissue, disclaimer or otherwise or (b) a patent application that has not been irretrievably cancelled, withdrawn or abandoned and that has been pending for less than [**] years from the filing date from which such claim takes priority. If a claim of a patent application that ceased to be a Valid Claim under clause (b) of the preceding sentence because of the passage of time later issues as a part of a patent within clause (a) of the preceding sentence, then it shall again be considered a Valid Claim effective as of the issuance of such patent.

2. Steering and Oversight Committee

2.1 SOC Formation; Composition. Within [**] days after the Effective Date, the Parties shall establish a Steering and Oversight Committee (***"SOC"***) composed of [**] representatives of each of Aurigene and Curis. Each Party may change its representatives to the SOC from time to time in its sole discretion, effective upon notice to the other Party of such change. These representatives shall have appropriate technical credentials, experience, knowledge, and authority within such Party's organization. However, the Parties acknowledge and agree that the SOC will rely on the opinions of expert employees specializing in, or leading, relevant disciplines at Aurigene or Curis, as well as expert consultants and advisors employed by either Party to support the research, discovery, development or commercialization of Program Compounds. The SOC will be jointly chaired by the Parties, with each Party designating one of its SOC representatives as its co-chairperson. The chairpersons shall set agendas for SOC meetings in advance, provided that the agendas will include any matter requested by either Party. A reasonable number of additional representatives of a Party may attend meetings of the SOC in a non-voting capacity. After its establishment, the SOC shall remain in place until the completion of clinical development of the last Program Compound or Product, excluding clinical

trials not reasonably necessary for obtaining or maintaining Regulatory Approval for a Program Compound or Product.

2.2 Responsibilities and Authority. The SOC's overall responsibility shall be to oversee and to encourage and facilitate ongoing cooperation and communication between the parties regarding the Programs and the further development of Development Candidates and to perform the other obligations specifically delegated to it by this Agreement, subject to the limitations set forth in this Article 2. In particular, the SOC shall:

(a) meet periodically to discuss Proposed PTPs for selection as Program Target Profiles for Aurigene to generate and conduct R&D Plans;

(b) review the initial R&D Plan for each Program and thereafter periodically review such R&D Plan, and, subject to Sections 2.5 and 2.6, update or amend such R&D Plan as needed from time to time;

(c) review the initial Target Molecular Profile criteria to be met by a Program Compound for designation as a Development Candidate, and review updates or amendments thereto from time to time;

(d) review the results of activities under each R&D Plan to determine whether a particular Program Compound meets the applicable Lead Candidate criteria or Development Candidate criteria set forth in such R&D Plan;

(e) discuss any technical feasibility issues that may arise in the performance of an R&D Plan and consider whether any amendment to such R&D Plan is necessary or advisable;

(f) subject to Sections 2.5, 2.6 and 5.1, review and discuss the initial Development Plan generated by Curis for each Licensed Program;

(g) provide a forum for review and discussion of the initial Target Product Profile criteria for a Licensed Program;

(h) provide a forum for Aurigene to keep Curis reasonably informed of the progress and results of Aurigene's discovery and research activities with respect to any Aurigene Immuno-oncology PTPs or Follow-On Molecule Profiles;

(i) review each Aurigene Immuno-oncology PTP Data Package, Follow-On Molecule Data Package and Development Candidate Data Package within the time period requested by the Alliance Managers and prior to expiration of the relevant Data Package Review Period or the Option Period to determine whether the Information submitted is sufficient to meet the requirements of an Aurigene Immuno-oncology PTP Data Package, Follow-On Molecule Data Package and Development Candidate Data Package, and, if such Information is determined not to meet the requirements of the applicable Data Package, identify the data and information necessary to meet such requirements;

(j) provide a forum for review and discussion of: (i) the results of R&D Plan activities, including the data and information included in each Development Candidate Data Package delivered by Aurigene; (ii) the data and information included in each Aurigene Immuno-oncology PTP Data Package and Follow-On Molecule Data Package generated by Aurigene; (iii) the results of Development Plan activities conducted by Curis; (iv) updates by Curis with respect to any contemplated changes in the Development Plan; and (v) updates by Curis with respect to expected resource requirements for contemplated development activities, other than those to be performed by Aurigene;

(k) review publication strategy with respect to Program Technology as contemplated by Section 8.5(a); and

(l) perform such other duties as outlined in this Agreement.

Each Party shall be responsible for ensuring that, at all times, its representatives on the SOC act reasonably and in good faith in carrying out their respective responsibilities hereunder.

2.3 Meetings. The SOC shall meet as deemed necessary by the SOC members and as otherwise required by the terms of this Agreement, but at least [**] times per year until selection of PTP4, at least every [**] months thereafter during the Research Term, and at least [**] thereafter for so long as there is at least one Active Program, with the location for such meetings alternating between Aurigene and Curis facilities (or such other location as is mutually agreed by the Parties). Alternatively, the SOC may meet by means of teleconference, videoconference or other similar communications equipment. Each Party shall be responsible for all of its own expenses of participating in SOC meetings.

2.4 Minutes. Responsibility for preparing definitive minutes of each SOC meeting shall alternate between the Parties. The responsible Party shall circulate a draft of the minutes of each meeting to all members of the SOC for comments within [**] days after such meeting. Such minutes shall provide a description, in reasonable detail, of the discussions at the meeting and shall document all actions taken or recommendations made by the SOC at such meeting, including the selection of any Program Target Profile, the review of any R&D Plan or amendment thereto, the determination that any Lead Candidate or Development Candidate has been identified, the initiation of a new Program for any Follow-On Molecule Profile, and description of any Target Product Profile and Development Plan relating to a Program. In addition, in the event of recommendation at any SOC meeting of an R&D Plan, Development Plan or amendment to either of the foregoing, such R&D Plan, Development Plan or amendment shall be attached to the minutes as an exhibit. The Parties shall promptly discuss any comments on such minutes and finalize the minutes no later than the date of the next SOC meeting.

2.5 SOC Recommendations. Recommendations of the SOC shall be made by unanimous vote, with each Party's representatives on the SOC collectively having one vote cast in good faith. No vote of the SOC may be taken unless at least one of each Party's representatives is present for the SOC vote. The SOC's authority shall be limited to those matters expressly delegated to it in this Agreement. Without limiting the generality of the

foregoing, neither the SOC, nor either Party in the exercise of its tie-breaking authority under Section 2.6, shall have any right, power or authority:

(a) to determine any issue in a manner that would conflict with the express terms and conditions of this Agreement;

(b) to determine the manner in which a Party performs its obligations under any R&D Plan or Development Plan or the financial, human or other resources to be devoted by a Party to R&D Plan or Development Plan activities; or

(c) modify or amend the terms and conditions of this Agreement.

2.6 Dispute Resolution. If the SOC cannot reach consensus with regard to any recommendation or other matter within its authority within [**] days after such matter has been brought to the SOC's attention, then such matter shall be referred to the Chief Executive Officer of Aurigene and the Chief Executive Officer of Curis (provided, in each case, that neither of them is a current SOC representative of the applicable Party), or their respective designees with decision-making authority, neither of whom may be a current SOC representative of the applicable Party (the ***"Executives"***), who shall promptly meet and attempt in good faith to resolve such matter within [**] days. If the Executives cannot resolve such matter within [**] days of the date such matter is first referred to them, then, subject to Sections 2.6 and 5.1:

(a) Aurigene shall have the tie-breaking vote on the SOC, as well as overall decision-making authority, with respect to functional responsibilities pertaining to: (i) Aurigene's activities under R&D Plans; and (ii) except as expressly set forth in Section 5.1, Aurigene's conduct of IND-enabling studies under Development Plans; and

(b) Curis shall have the tie-breaking vote on the SOC, as well as overall decision-making authority, with respect to: (i) selection of any particular Potential PTP, or any particular Aurigene Immuno-oncology PTP for which Aurigene generates an Aurigene Immuno-oncology PTP Data Package, as a Program Target Profile; (ii) the definitions of Lead Candidate criteria and Target Molecular Profile in each R&D Plan; and (iii) the Target Product Profile for each Licensed Program;

provided, however, that, in each case, the Party having the tie-breaking vote shall give good faith consideration to the other Party's position and make reasonable efforts to take the other Party's position into account in making its decision. In addition, and notwithstanding any other provision of this Agreement to the contrary, unanimous recommendation of both Parties' SOC representatives (without resort to either Party's tie-breaking authority) will be required, and the mutual agreement of each Party shall be required to:

i. to select a Precision Oncology Program Target Profile;

ii. to select a Program Target Profile outside of the Collaboration Scope; or

iii. to resolve any dispute referred to it by the Patent Team with respect to any Licensed Programs; Aurigene shall have final decision-making authority to resolve any dispute in the Patent Team with respect to Aurigene Patent Rights for any Program prior to exercise of any Option by Curis for such Program.

2.7 Alliance Managers. Within [**] days after the Effective Date, each Party shall appoint a representative (***"Alliance Manager"***) to facilitate ongoing communications and exchange of information between the Parties and to act as a liaison between the Parties. The Alliance Managers will be responsible for establishing and monitoring the methods for secure electronic data exchange between the Parties. Each Party may replace its Alliance Manager at any time upon notice to the other Party.

3. Collaboration

3.1 Program Target Profiles.

(a) PTP1 and PTP2. As of the Effective Date, the Parties have selected PTP1 and PTP2 as the Program Target Profiles for the first two R&D Programs to be conducted under this Agreement.

(b) Program Target Profile Proposal and Selection.

i. By a Party Via the SOC. From time to time during the Exclusivity Period or, at a Party's discretion during any Extended Exclusivity Period, either Party may propose to the SOC specific protein or gene target(s) within the Collaboration Scope, or, if mutually agreed by the Parties, outside the Collaboration Scope (in either case, a ***"Proposed PTP"***), for potential selection as a Program Target Profile for the conduct of:

(1) an R&D Program, in the case of PTP3 and PTP4; or

(2) an Additional R&D Program, in the case of any Program Target Profile other than an Initial PTP (an ***"Additional PTP"***).

The SOC shall promptly consider each Proposed PTP and determine whether or not to recommend the selection thereof as a Program Target Profile for the conduct of an R&D Program or Additional R&D Program, as applicable.

ii. By Aurigene. In addition, if, during the Exclusivity Period, Aurigene conducts any drug discovery and research program directed to a potential Program Target Profile for Immuno-oncology (an ***"Aurigene Immuno-oncology PTP"***), Aurigene shall provide regular updates to Curis regarding the progress and results of such Aurigene Immuno-oncology PTP program, and, if and at such time as Aurigene has generated an Aurigene Immuno-oncology Data Package for such potential Aurigene Immuno-oncology PTP, Aurigene shall promptly deliver such Aurigene Immuno-oncology PTP Data Package to Curis. During the applicable Data Package Review Period, Aurigene shall make qualified Aurigene representatives reasonably available to Curis (at a SOC meeting or otherwise) for discussion of such Aurigene

Immuno-oncology PTP Data Package. Curis shall have until the expiration of the applicable Data Package Review Period to elect whether to add such Aurigene Immuno-oncology PTP as a Program Target Profile for the conduct of an R&D Program or Additional R&D Program, as applicable. If Curis informs Aurigene that it declines to select such Aurigene Immuno-oncology PTP as a Program Target Profile for a Program, or if Curis fails to inform Aurigene of Curis' decision regarding such Aurigene Immuno-oncology PTP prior to expiration of such Data Package Review Period, Aurigene's exclusivity obligations with respect solely to such Aurigene Immuno-oncology PTP shall cease.

(c) Timing of Selection of PTP3 and PTP4. The Parties, via the SOC, shall use Commercially Reasonable Efforts to recommend the selection of PTP3 and PTP4 in accordance with Section 3.1(b)(i) prior to the end of the Initial Exclusivity Period. Alternatively, if, during the Initial Exclusivity Period and prior to recommendation of the selection of both PTP3 and PTP4, Aurigene generates an Aurigene Immuno-oncology PTP Data Package with respect to an Aurigene Immuno-oncology PTP, Curis may select such Aurigene Immuno-oncology PTP as PTP3 or PTP4, as applicable. Curis acknowledges that SOC recommendation or Curis' selection, as applicable, of any Proposed PTP or Aurigene Immuno-oncology PTP as PTP3 or PTP4 shall be subject to the R&D Program selection payment obligation set forth in Section 6.3.

(d) Additional R&D Programs. Curis acknowledges that SOC recommendation or Curis' selection, as applicable, of any Proposed PTP or Aurigene Immuno-oncology PTP as an Additional PTP for the conduct of an Additional R&D Program shall be subject to the Additional R&D Plan Payment obligations set forth in Section 6.4.

3.2 R&D Plans. At the first SOC meeting, in the case of PTP1 and PTP2, and as promptly as practicable (and in any event within [**] days) after (1) SOC recommendation of the selection of, or Curis' selection of (as applicable), PTP3 and PTP4 or any Additional PTP, or (2) Curis' election to initiate a new Program for Follow-On Molecules for a particular Program Target Profile pursuant to Section 3.8, the SOC shall review and recommend, subject to each Party's final approval of the aspects that are within such Party's final decision-making authority pursuant to Sections 2.6(a) and 2.6(b), a written plan for the applicable Program to be conducted with respect to such Program Target Profile (each, an ***"R&D Plan"***), which shall be subject to amendment by the SOC from time to time in accordance with Article 2. Each R&D Plan shall:

(a) identify the applicable Program Target Profile;

(b) set forth:

i. the specific discovery, research and preclinical activities to be undertaken as part of the Program for such Program Target Profile;

ii. criteria for Lead Candidate selection; and

iii. the set of chemical, biochemical and pharmacologic activity (including but not limited to cell-based and *in vivo*) in modulating such Program Target Profile, as well as pharmacokinetic, pharmacodynamic, stability and safety properties, that Program Compounds

are expected to have in order to qualify for selection as a Development Candidate or back-up Program Compound by the SOC (a ***"Target Molecular Profile"***).

As used herein, the term "R&D Plan" shall mean the R&D Plan as then in effect, including all updates and amendments thereto made in accordance with the terms of this Agreement.

3.3 Aurigene Diligence. On a Program-by-Program basis, Aurigene shall use Commercially Reasonable Efforts to conduct each Program in an expeditious manner, to generate at least one Lead Candidate from each Program, and to present to the SOC at least one Development Candidate from each Program and deliver to Curis the corresponding Development Candidate Data Package; *provided*, *however*, that:

(a) the foregoing diligence obligations with respect to the R&D Program for each of PTP3 and PTP4 are subject to Curis' payment when due of the Lead Candidate selection milestone payment for such R&D Program in accordance with Section 6.3;

(b) the foregoing diligence obligations with respect to each Additional R&D Program are subject to Curis' payment when due of the Additional R&D Plan Payments for such Additional R&D Program in accordance with Section 6.4;

(c) in the event that, despite conducting the activities for which it is responsible under a particular R&D Plan and using its Commercially Reasonable Efforts to generate a Lead Candidate for the applicable Program Target Profile, Aurigene is unable to generate a Lead Candidate for such Program Target Profile, Aurigene shall promptly call an SOC meeting, to be held within [**] days thereof, at which Aurigene shall present to the SOC all relevant data and information with respect to the Compounds generated in the performance of such R&D Plan, and the SOC shall discuss in good faith any technical feasibility issues encountered by Aurigene in its efforts to generate a Lead Candidate for such Program Target Profile, review the Lead Candidate criteria under such R&D Plan, and consider whether any amendment to such R&D Plan (whether to provide for Aurigene to perform additional activities, or to modify the Lead Candidate criteria set forth therein, or otherwise) is necessary or advisable. The Parties shall cooperate in good faith with any recommendation by the SOC to perform additional activities, including by one or more Third Parties selected by the SOC, in an effort to generate a Lead Candidate, with the costs borne as agreed to by the Parties. If, at such SOC meeting or within [**] days after the completion of any such additional activities determined by the SOC, a Lead Candidate has not been generated and the SOC does not select further activities to be undertaken in an effort to generate a Lead Candidate, then, at Curis' option exercisable within [**] days after the SOC meeting at which the Compounds were presented or, if applicable, within [**] days after the SOC meeting at which the results of any such additional activities are presented, Curis may select any of the Compounds generated in the performance of such R&D Plan or any such additional activities as a Lead Candidate (without regard to whether or not it meets the Lead Candidate criteria set forth in the R&D Plan). If Curis does not select any such Compound as a Lead Candidate within the applicable period, then, unless otherwise agreed by the Parties in writing, the Program with respect to the applicable Program Target Profile shall terminate; and

(d) in the event that, despite conducting the activities for which it is responsible under a particular R&D Plan and using its Commercially Reasonable Efforts to generate a Development Candidate for the applicable Program, Aurigene shall promptly call an SOC meeting, to be held within [**] days thereof, at which Aurigene shall present to the SOC all relevant data and information with respect to the Program Compounds generated in the performance of such R&D Plan, and the SOC shall discuss in good faith any technical feasibility issues encountered by Aurigene in its efforts to generate a Development Candidate for such Program Target Profile, review the Target Molecule Profile under such R&D Plan, and consider whether any amendment to such R&D Plan (whether to provide for Aurigene to perform additional activities, or to modify the Target Molecular Profile set forth therein, or otherwise) is necessary or advisable. The Parties shall cooperate in good faith with any recommendation by the SOC to perform additional activities, including by one or more Third Parties selected by the SOC, in an effort to generate a Development Candidate, with the costs borne as agreed to by the Parties. If, at such SOC meeting or within [**] days after the completion of any such additional activities determined by the SOC, a Development Candidate has not been generated and the SOC does not select further activities to be undertaken in an effort to generate a Development Candidate, then Curis' Option Period for the applicable Program shall begin on such date; *provided, however,* that if such Option Period expires unexercised and, within [**] months after expiration of such Option Period, (i) Aurigene generates a compound that, if it had been generated in the course of the applicable Program, would have been a Development Candidate, and (ii) Aurigene Controls such compound, Aurigene shall present such compound to Curis, and the Parties shall discuss in good faith the possibility of resuming the applicable Program.

3.4 Performance Standards. Aurigene shall perform each Program in close collaboration with Curis and in accordance with the applicable R&D Plan and the terms and conditions of this Agreement. In addition, Aurigene shall perform all R&D Plan activities in good scientific manner and in compliance with all Applicable Laws.

3.5 R&D Program Costs.

(a) PTP1 and PTP2. Subject to Curis' issuance to Aurigene of the Upfront Equity Issuance in accordance with Section 6.1, Aurigene's performance of the R&D Programs with respect to PTP1 and PTP2 and delivery to Curis of the Development Candidate Data Package for each of PTP1 and PTP2 shall be at Aurigene's sole cost and expense.

(b) PTP3 and PTP4. Except as expressly set forth in, and subject to Curis' payment when due of the Lead Candidate selection milestone payment for each of PTP3 and PTP4 in accordance with Section 6.3, Aurigene's performance of the R&D Programs with respect to PTP3 and PTP4 and delivery to Curis of the Development Candidate Data Package for each of PTP3 and PTP4 shall be at Aurigene's sole cost and expense.

(c) Additional PTPs. Except as expressly set forth in, and subject to Curis' payment when due of the Additional R&D Plan Payments for each Additional R&D Program in accordance with Section 6.4, Aurigene's performance of the Additional R&D Program for each Additional PTP and delivery to Curis of the Development Candidate Data Package for each Additional PTP shall be at Aurigene's sole cost and expense.

3.6 Development Candidate Data Package. With respect to each Program, at such time as Aurigene in good faith believes that it has generated a Development Candidate, Aurigene shall promptly present such Development Candidate to the SOC for designation as such and provide to Curis all data and information generated by or on behalf of Aurigene with respect to such prospective Development Candidate and Program Compounds (***"Development Candidate Data Package"***). During the applicable Option Period for such Program, Aurigene shall make qualified Aurigene representatives reasonably available to Curis (at a SOC meeting or otherwise) for discussion of such Development Candidate Data Package. Each Development Candidate Data Package shall be subject to review by the SOC to determine whether or not such Development Candidate Data Package includes all of the Information with respect to the activities outlined and agreed upon in the R&D Plan and that the proposed Development Candidate meets the relevant Target Molecular Profile criteria, and if the SOC determines that such Development Candidate Data Package does not include all such Information, the SOC shall unanimously identify the necessary data and information not included in such Development Candidate Data Package. If the SOC cannot unanimously reach a determination of whether or not the Development Candidate Data Package includes all such Information, then then the Parties shall submit the matter to an independent Third Party expert with at least 15 years of experience in pharmaceutical industry practices with respect to the development of pharmaceutical products for resolution, which expert shall be agreed upon by both Parties or, failing such agreement, designated by the International Centre for Dispute Resolution located in New York City, NY. The sole authority of such expert will be to determine whether or not the Development Candidate Data Package is complete, and such expert's determination shall be final and binding upon the Parties. The independent Third Party expert shall be required to make his or her determination within [**] days after selection of the independent Third Party expert. The Parties shall initially bear the fees and expenses of such expert equally, but the prevailing Party shall reimburse the other Party for the documented fees and expenses of such expert paid by the prevailing Party.

3.7 Disclosure of Results. In addition to Aurigene's obligations to deliver Aurigene Immuno-oncology PTP Data Packages, Development Candidate Data Packages and Follow-On Molecule Profile Data Packages in accordance with Sections 3.1(b)(ii), 3.6 and 3.8, respectively, Aurigene shall keep Curis regularly informed, primarily via the SOC, of the progress and results of all R&D Plan activities and the status of patent filings with respect to Program Inventions.

3.8 Follow-On Molecules. On a Program Target Profile-by-Program Target Profile basis, after Curis' exercise of the Option with respect to a Program for a particular Program Target Profile and prior to expiration of the Exclusivity Period (and, in the case of any Exclusive Program Target Profile, any Extended Exclusivity Period), Aurigene shall disclose to Curis in writing the progress and results of Aurigene's research (if any) with respect to Follow-On Molecules for such Program Target Profile, provided that Aurigene shall have no obligation to disclose any information related to the chemistry of any such Follow-On Molecule that Aurigene has generated, or proposes to generate, until such time as Aurigene provides a Follow-On Molecule Data Package for the applicable Program Target Profile. If Aurigene generates a Follow-On Molecule Data Package for such Program Target Profile, Aurigene shall promptly deliver such Follow-On Molecule Data Package to Curis. During the applicable Data Package Review Period, Aurigene shall make qualified Aurigene representatives available to Curis (at a

SOC meeting or otherwise), and Curis will have the opportunity to discuss with, and request additional information (to the extent available) from, such Aurigene representatives regarding the Follow-On Molecule Data Package. Curis shall have until expiration of the applicable Data Package Review Period to elect whether to initiate a new Program for Follow-On Molecules for the applicable Program Target Profile. Regardless of Curis' decision whether to initiate a new Program for Follow-On Molecules for the applicable Program Target Profile, the Aurigene PTP Exclusivity Obligations with respect to such Program Target Profile shall remain in effect until expiration of the Exclusivity Period as long as such Program Target Profile is the subject of an Active Program (and, in the case of any Exclusive Program Target Profile, any Extended Exclusivity Period). In addition, if Curis does not decide not to initiate a new Program for Follow-On Molecules for the applicable Program Target Profile prior to expiration of the Data Package Review Period, then, thereafter during the Exclusivity Period (and, in the case of any Exclusive Program Target Profile, any Extended Exclusivity Period), at Curis' reasonable request reasonably in advance of the next SOC meeting, Aurigene shall present at such next SOC meeting, the then-available data and information regarding such Follow-On Molecules to Curis, and Curis shall again have the right to initiate a new Program for Follow-On Molecules for the applicable Program Target Profile.

3.9 Records. Aurigene shall maintain complete and accurate records of all work conducted in the performance of each R&D Plan (and in the performance of each Follow-On Molecule program conducted by Aurigene, if any, unless Curis' rights under Section 3.8 with respect to the applicable Program Target Profile have terminated or expired unexercised), and all results, data, inventions and developments made in the performance of such work. All such records maintained shall be in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes. Upon reasonable prior written notice, Aurigene shall permit Curis to inspect such records, and shall provide copies of requested records (other than records for any Follow-On Molecule program conducted by Aurigene with respect to which Curis' rights under Section 3.8 have terminated or expired unexercised); *provided*, *however,* that Aurigene shall not be obligated to permit Curis to inspect, or to provide Curis with copies of, records of any Follow-On Molecule program conducted by Aurigene until delivery to Curis of the Follow-On Molecule Data Package for such Follow-On Molecule program; and *provided*, *further,* that if Aurigene delivers a Follow-On Molecule Data Package for any Follow-On Molecule program conducted by Aurigene, then Aurigene shall permit Curis to inspect such records, and shall provide copies of requested records, for such program promptly upon Curis' request at any time during the applicable Data Package Review Period for such Follow-On Molecule program. Curis shall maintain such records and the information contained therein in confidence in accordance with Article 8 hereof and shall not use such records or information except to the extent permitted by this Agreement. Aurigene's obligations to maintain records with respect to work under the R&D Plan for a Program and to provide Curis with access to such records shall cease in the event that Curis' Option with respect to such Program expires unexercised or is terminated prior to exercise.

3.10 Performance of R&D Plan Activities and Follow-On Molecule Research by Aurigene Affiliates and Subcontractors. Aurigene shall have the right to perform R&D Plan activities or conduct Follow-On Molecule discovery and research through one or more Affiliates

or Third Party subcontractors; *provided*, in each case, that: (a) none of Curis' rights hereunder are diminished or otherwise adversely affected as a result of such delegation or subcontracting; (b) each such Affiliate and subcontractor undertakes in writing obligations of confidentiality and non-use regarding Confidential Information at least as stringent as those undertaken by the Parties pursuant to Article 8; (c) prior to initiating performance of any R&D Plan activities or Follow-On Molecule discovery or research on behalf of Aurigene, each such Affiliate and Third Party subcontractor has signed a binding agreement or instrument assigning, and agreeing to assign to Aurigene all data and other work product resulting from performance of such activities (subject to reasonable and customary exceptions for improvements to the applicable Affiliate's or Third Party subcontractor's pre-existing proprietary technology that it uses in performing such activities, or technology of broad applicability that such Affiliate or Third Party subcontractor uses for multiple products in addition to the applicable Program Compound or Product, provided, in each case, that such improvements do not use or incorporate Confidential Information of Curis); and (d) Aurigene shall at all times be fully responsible for the performance of such Affiliate or subcontractor and for payment of such Affiliate or subcontractor. On a Program Target Profile-by-Program Target Profile basis, the restrictions on Aurigene's right to subcontract discovery and research of Follow-On Molecules for a particular Program Target Profile to Affiliates or Third Party subcontractors under this Section 3.10 shall cease in the event that Curis' rights under Section 3.8 with respect to Follow-On Molecules for such Program Target Profile expire unexercised or are terminated prior to exercise.

4. Grant of Options and Licenses; Exclusivity

4.1 Option Grant.

(a) R&D Programs. Subject to the terms and conditions of this Agreement (and, with respect to the R&D Programs for each of PTP3 and PTP4 only, subject to Curis' payment when due of the R&D Program selection milestone payment for the applicable Program Target Profile in accordance with Section 6.3), on an R&D Program-by-R&D Program basis with respect to each R&D Program for which the SOC has designated a Program Compound as a Development Candidate, Curis shall have, and Aurigene hereby grants to Curis, an exclusive option to obtain an exclusive, royalty-bearing license, with the right to sublicense through multiple tiers of sublicense, under Aurigene Technology, to develop, make, have made, use, sell, have sold, offer for sale, import and otherwise exploit Program Compounds (including the Development Candidate and back-up Program Compounds) and Products for such R&D Program in the Field in the Curis Territory (each, an ***"R&D Program Option"***).

(b) Additional R&D Program Option. Subject to the terms and conditions of this Agreement, on an Additional R&D Program-by-Additional R&D Program basis with respect to each Additional R&D Program for which the SOC has designated a Program Compound as a Development Candidate (and subject to Curis' payment when due of the Additional R&D Plan Payments for such Additional R&D Program in accordance with Section 6.4), Curis shall have, and Aurigene hereby grants to Curis, an exclusive option to obtain an exclusive, royalty-bearing license, with the right to sublicense through multiple tiers of sublicense, under Aurigene Technology, to develop, make, have made, use, sell, have sold, offer for sale, import and

otherwise exploit Program Compounds (including the Development Candidate and back-up Program Compounds) and Products for such Additional R&D Program in the Field in the Curis Territory (each, an ***"Additional R&D Program Option"***).

4.2 Option Exercise.

(a) Option Period. Curis' Option with respect to a Program shall be exercisable at any time during the 90-day period commencing on delivery to Curis of the applicable Development Candidate Data Package for such Program or, if applicable, as set forth in Section 3.3(d) (as applicable, the ***"Option Period"***) upon (i) written notice of exercise to Aurigene and (ii) payment to Aurigene of the applicable Option Fee.

(b) HSR Filing. Notwithstanding Section 4.2(a), if Curis determines that the transactions contemplated herein are subject to the HSR Act, then Curis shall promptly (and in any event no later than [**] days prior to expiration of the Option Period) notify Aurigene in writing of such determination, in which event the following shall apply:

i. As soon as reasonably practicable, and in no event later than [**] days, after Curis notifies Aurigene of such determination, each of Curis and Aurigene shall file with the U.S. Federal Trade Commission (***"FTC"***) or the U.S. Department of Justice (***"DOJ"***), as applicable, a Notification and Report Form for Certain Mergers and Acquisitions (as that term is defined in the HSR Act) relating to the transactions contemplated herein as required by the HSR Act. Curis shall be responsible for any and all filing fees associated with any such filings under or pursuant to the HSR Act. Except as set forth in the preceding sentence, each Party shall be responsible for costs and expenses it incurs in connection with the preparation of such filings or the performance of its other obligations under this Section 4.2(b).

ii. Each of Curis and Aurigene shall (A) promptly supply the other Party with any information which may be required in order to effectuate such filings, (B) use reasonable best efforts promptly to cause the expiration or termination of any applicable waiting periods under the HSR Act and any applicable foreign antitrust laws and (C) promptly supply any additional information which reasonably may be required by the FTC or the DOJ and which the Parties may reasonably deem appropriate.

iii. Each of Curis and Aurigene will notify the other Party promptly upon the receipt of (A) any comments from any officials of the FTC or the DOJ in connection with any filings made pursuant hereto and (B) any request by any officials of the FTC or the DOJ for amendments or supplements to any filings made pursuant to, or information provided to comply in all material respects with, the HSR Act.

iv. The Option Period for such Program, including Curis' right to exercise the Option for such Program, shall be extended until [**] days after the earliest of: (A) the date upon which the waiting period under the HSR Act expires or terminates early; (B) the date upon which a closing letter is received from the FTC or DOJ, as the case may be, with regard to the transactions contemplated by this Agreement indicating that all requests have been satisfactorily

met and no objection on the part of the FTC or DOJ remains; or (C) [**] days after the HSR filings are received and the initial waiting period begins.

v. Notwithstanding the foregoing, nothing in this Section 4.2 shall require any Party to propose, negotiate, effect or agree to, the sale, divestiture, license or other disposition of any assets, product lines or businesses or otherwise take any action that limits the freedom of action with respect to, or its ability to retain any businesses, product lines or assets, or to expend costs and fees in litigation as part of any efforts required.

4.3 License Grant Upon Option Exercise. Subject to the terms and conditions of this Agreement, on a Program-by-Program basis, effective automatically upon Curis' exercise of the Option with respect to a Program in accordance with Section 4.2(a) prior to expiration of the applicable Option Period (as the same may be extended pursuant to Section 4.2(b) hereof), Aurigene hereby grants to Curis an exclusive, royalty-bearing license, with the right to sublicense through multiple tiers of sublicense, under Aurigene Technology, to develop, make, have made, use, sell, have sold, offer for sale, import and otherwise exploit Program Compounds (including the Development Candidate and back-up Program Compounds) and Products for such Program (a ***"Licensed Program"***) in the Field in the Curis Territory (a ***"License"***).

4.4 Curis License to Aurigene. Subject to the terms and conditions of this Agreement, on a Licensed Program-by-Licensed Program basis with respect to each Licensed Program, effective automatically upon the effectiveness of the License for such Licensed Program, Aurigene shall have, and Curis hereby grants to Aurigene, an exclusive, royalty-free, fully-paid license, with the right to sublicense through multiple tiers of sublicense, under Curis Technology, to make, have made, use, sell, have sold, offer for sale, import and otherwise exploit Program Compounds (including the Development Candidate and back-up Program Compounds) and Products for such Licensed Program in the Field in the Aurigene Territory (an ***"Aurigene Territory License"***). For clarity, the Aurigene Territory License excludes the right to make or have made Program Compounds or Products in the Aurigene Territory for use, sale, offer for sale, import, distribute or otherwise exploit Program Compounds or Products in the Curis Territory.

4.5 Sublicensing.

(a) Generally. Any sublicense granted by Curis or any Sublicensee under any License, or by Aurigene under any Aurigene Territory License (in each case, directly or indirectly through such Party's Affiliate), to a Third Party shall be (i) in writing, (ii) on commercially reasonable and arm's-length terms without intent to circumvent the other Party's rights under this Agreement or, in the case of Curis, to circumvent Curis' obligations to compensate Aurigene as contemplated by Article 6 (provided that the requirements in this clause (ii) shall not apply to a sublicense granted by a Sublicensee), and (iii) subject to, and consistent with, the terms and conditions of this Agreement. Curis shall use commercially reasonable efforts to include in any such sublicense agreement such consequences of termination of the Sublicensee's sublicense for the applicable Licensed Program for such Sublicensee's uncured material breach or termination at will by such Sublicensee that will, as nearly as possible, allow Curis, upon termination of its License for such Licensed Program for Curis' uncured material

breach or termination at will by Curis, to provide Aurigene with substantially the same rights with respect to such Terminated Program as it would with respect to Curis Technology for such Terminated Program. [**]. Curis shall provide Aurigene with a copy of any sublicense agreement entered into by Curis or its Affiliate and a Sublicensee, and any amendment thereto, within [**] days of its execution. Aurigene shall provide Curis with a copy of any sublicense agreement entered into by Aurigene or its Affiliate, and any amendment thereto, upon Curis' reasonable request, provided that Aurigene shall have the right to redact from such copy the financial terms of such sublicense agreement. Each Party shall notify the other Party in writing within [**] days after (y) termination of any sublicense agreement covering intellectual property rights licensed under this Agreement entered into by such Party or its Affiliate, or (z) learning of termination of any sublicense agreement covering intellectual property rights licensed under this Agreement entered into by a Sublicensee, as to Curis, or sublicensee of Curis Technology, as to Aurigene. Each Party shall be responsible for the compliance of its and its Affiliates' Sublicensees or sublicensees (as applicable) with the applicable terms and conditions of this Agreement.

(b) [**] Sublicensing Efforts in Asia. The Parties acknowledge that the [**] in Asia [**]. Accordingly, after the Effective Date, the Parties shall [**] Asia [**], including the [**]. As of the Effective Date, the Parties' [**] Asia [**]. The Parties shall [**] Asia [**]. Curis, [**] Aurigene, shall [**] Asia [**]. Curis shall [**] Aurigene [**], including [**]. Curis, [**] Aurigene, shall [**] Asia [**] Aurigene [**]. Curis shall consider, in good faith, Aurigene's recommendations and comments, if any. Any definitive agreement with an Asia Partner shall be subject to Section 4.5(a), in addition to the provisions of this Section 4.5(b).

4.6 Reserved Rights.

(a) Curis.

i. Notwithstanding the exclusivity of the Aurigene Territory License granted by Curis to Aurigene with respect to a Licensed Program, Curis hereby reserves the non-exclusive right under the Curis Technology to develop, make, have made or use (but not to sell, have sold, offer for sale, import or otherwise exploit) Program Compounds and Products for such Licensed Program in the Field in the Aurigene Territory ***solely*** for the purpose of the development, manufacture, use, sale, offer for sale, import and exploitation of Program Compounds and Products for such Licensed Program in the Curis Territory.

ii. Curis hereby reserves the exclusive right to practice, and to grant licenses under, the Curis Technology for any and all purposes other than the purposes for which Aurigene has been granted an Aurigene Territory License hereunder.

(b) Aurigene.

i. Notwithstanding the exclusivity of the License granted by Aurigene to Curis with respect to a Licensed Program, Aurigene reserves the non-exclusive right under the Aurigene Technology: (A) to make, have made or use (but not to develop, sell, have sold, offer for sale, import or otherwise exploit) Program Compounds and Products for such Licensed

Program in the Field in the Curis Territory *solely* for the purpose of the development, manufacture, use, sale, offer for sale, import and exploitation of Program Compounds and Products for such Licensed Program in the Aurigene Territory; and (B) to perform its obligations under Article 5 hereof.

ii. Aurigene hereby reserves the exclusive right to practice, and to grant licenses under, the Aurigene Technology for any and all purposes other than the purposes for which Curis has been granted a License hereunder.

4.7 Exclusivity.

(a) Collaboration Scope. Subject to Sections 3.1(b)(ii), 3.8, 4.9 and 4.10 hereof, during the Exclusivity Period, each Party agrees to work exclusively with the other Party in the manner contemplated under this Agreement on the discovery, research and development of molecules within Immuno-oncology and with respect to Program Target Profiles in Precision Oncology.

(b) Exclusive Program Target Profiles. Subject to Sections 3.1(b)(ii), 3.8, 4.9 and 4.10 hereof, during the Exclusivity Period and each Extended Exclusivity Period, if any, for which Curis pays the Extended Exclusivity Fee, each Party agrees to work exclusively with the other Party in the manner contemplated under this Agreement on each Program Target Profile for which there is an Active Program (such Program Target Profile, an ***"Exclusive Program Target Profile"***).

4.8 Additional Exclusivity Option and Extended Exclusivity Option.

(a) Additional Exclusivity Periods. Subject to the terms and conditions of this Agreement, Curis shall have, and Aurigene hereby grants to Curis, the option to extend the exclusivity of the Parties' collaboration contemplated by Section 4.7(a) beyond the Initial Exclusivity Period on a year-by-year basis for up to three (3) successive 12-month periods from expiration of the Initial Exclusivity Period (each, an ***"Additional Exclusivity Period"***) by paying to Aurigene the applicable Exclusivity Option Fee under Section 6.2(a) no later than the expiration of, as applicable: (i) the Initial Exclusivity Period, in the case of the first Additional Exclusivity Period; or (ii) the then-current Additional Exclusivity Period, in the case of each of the second and third Additional Exclusivity Periods. Notwithstanding the foregoing, if Aurigene has not fulfilled its diligence obligations under Section 3.3 with respect to each R&D Program during the 24-month period beginning on the Effective Date, then the Initial Exclusivity Period shall automatically be extended for the period of time during which Aurigene failed to fulfill such diligence obligation and no Exclusivity Option Fee (nor any Extended Exclusivity Fee) shall be due with respect to such period.

(b) Extended Exclusivity Periods. At any time after the Exclusivity Period, whether or not Curis elects to pay the Exclusivity Option Fee with respect to any or all Additional Exclusivity Periods, Curis shall have, and Aurigene hereby grants to Curis, the option to further extend the exclusivity of the Parties' collaboration solely as it relates to Exclusive Program Target Profiles on a year-by-year basis for successive 12-month periods (each, an

"Extended Exclusivity Period"), by paying to Aurigene, on an Exclusive Program Target Profile-by-Exclusive Program Target Profile basis, the Extended Exclusivity Fee under Section 6.2(b) for each Extended Exclusivity Period no later than the expiration of, as applicable: (i) either (A) the Initial Exclusivity Period, if Curis does not elect to extend exclusivity to any Additional Exclusivity Period, or (B) the last Additional Exclusivity Period for which Curis pays an Exclusivity Option Fee, if Curis elects to extend exclusivity to one or more Additional Exclusivity Periods; or (ii) the then-current Extended Exclusivity Period, in the case of each subsequent Extended Exclusivity Period.

4.9 Eligibility for Additional Exclusivity Periods and Extended Exclusivity Periods. During each Additional Exclusivity Period (if any), Curis shall be obligated to initiate at least one Additional R&D Program to be eligible for a subsequent Additional Exclusivity Period. In order for Curis to exercise its right to obtain an Extended Exclusivity Period for a Program Target Profile, there must be, at the time when payment of the Extended Exclusivity Fee for such Extended Exclusivity Period is due, an Active Program for such Program Target Profile.

4.10 Exceptions to Exclusivity. Notwithstanding Section 4.7 to the contrary:

(a) During the Exclusivity Period and any Extended Exclusivity Period, Aurigene shall have the right to research, develop and commercialize, itself or with one or more Third Parties, molecules claimed in patent applications [**] or products incorporating such molecules, subject, in each case, to Aurigene's compliance with Article 8 hereof, and Aurigene's exclusivity obligations set forth in Section 4.7 shall not apply to such activities.

(b) During the Exclusivity Period and any Extended Exclusivity Period, Aurigene shall have the right to discover, research, develop and commercialize, itself or with one or more Third Parties, molecules or products incorporating such molecules, the primary mechanism of action of which includes modulation of [**], and Aurigene's exclusivity obligations set forth in Section 4.7 shall not apply to such activities.

(c) Aurigene [**] Aurigene [**], provided that: [**] Aurigene, [**] Aurigene [**], Aurigene, [**]. Aurigene [**], and that Aurigene [**], Curis' [**] under this Agreement [**] provisions hereunder.

(d) During the Exclusivity Period and, in the case of any Exclusive Program Target Profile, any Extended Exclusivity Period(s), Aurigene shall have the right to conduct (or have a contract research organization or other contractor conduct on Aurigene's behalf) internal discovery, research and preclinical activities of any kind, subject to Aurigene's obligations and Curis' rights under this Agreement, including the Options and Licenses and the Parties' respective rights and obligations under Section 3.8, but excluding Aurigene's obligations and Curis' rights under Section 4.7 hereof.

(e) During the Exclusivity Period, and subject to Aurigene's compliance with Section 3.1(b)(ii), if Curis does not select an Aurigene Immuno-oncology PTP as PTP3, PTP4 or an Additional PTP (as applicable) for the conduct of a Program prior to expiration of the applicable Data Package Review Period, then, effective as of the expiration of such period,

Aurigene's exclusivity obligations under Section 4.7 shall cease to apply ***solely*** with respect to such Aurigene Immuno-oncology PTP.

(f) If Curis does not timely exercise its Option for a particular Program, Aurigene's exclusivity obligations under Section 4.7 shall cease to apply ***solely*** with respect to the Program Target Profile that was the subject of the expired Option.

(g) In the event that, after Curis timely exercises its Option for a particular Program, the License granted by Aurigene to Curis with respect to such Licensed Program is terminated in accordance with Article 11 hereof, Aurigene's exclusivity obligations under Section 4.7 shall cease to apply ***solely*** with respect to the Program Target Profile for such former Licensed Program, effective as of the termination of such License.

(h) In the event that, during the period beginning on Curis' exercise of its Option for a Program with respect to a particular Program Target Profile and ending upon expiration of the Exclusivity Period (and, in the case of any Exclusive Program Target Profile, any Extended Exclusivity Period(s)), Curis grants a sublicense under Curis' License with respect to such Licensed Program to a Sublicensee, or is acquired by a Third Party Acquirer, that, in each case, has a Competing Program with respect to such Program Target Profile, then, in each case, Curis shall not be deemed to have breached its exclusivity obligations to Aurigene under Section 4.7, but the Aurigene PTP Exclusivity Obligations ***solely*** with respect to such Program Target Profile shall cease to apply and such Program Target Profile shall cease to be an "Exclusive Program Target Profile" for purposes of this Agreement, ***unless, and only for so long as***, such Sublicensee or Third Party Acquirer uses Commercially Reasonable Efforts (*mutatis mutandis*) to develop, at a pace that is no slower than the pace of development of such Competing Program (taking into consideration the relative stages of development of such Licensed Program and such Competing Program), or to otherwise fulfill Curis' diligence obligations under Section 5.8(b); *provided, however*, that if such Sublicensee or Third Party acquirer fails to meet the foregoing diligence obligations with respect to such Licensed Program, then, without limiting any other rights or remedies of Aurigene, the Aurigene PTP Exclusivity Obligations with respect to such Program Target Profile shall cease to apply and such Program Target Profile shall cease to be an "Exclusive Program Target Profile" for purposes of this Agreement.

(i) In the event that, during the period beginning on Curis' exercise of its Option for a Program with respect to a particular Program Target Profile and ending upon expiration of the Exclusivity Period (and, in the case of any Exclusive Program Target Profile, any Extended Exclusivity Period(s)), Aurigene is acquired by a Third Party Acquirer that has a Competing Program with respect to such Program Target Profile, then Aurigene shall not be deemed to have breached its exclusivity obligations to Curis under Section 4.7, provided that such Third Party Acquirer (or the surviving entity in such acquisition, as applicable) continues to fulfill Aurigene's diligence obligations under Section 5.8(a) with respect to such Licensed Program.

(j) If Curis terminates any Program prior to exercise of its Option, Aurigene's exclusivity obligations under Section 4.8 shall cease to apply *solely* with respect to the Program Target Profile that was the subject of the Program.

4.11 Negative Covenants.

(a) By Curis. Curis hereby covenants not to practice, and not to permit or cause any Affiliate, Sublicensee or other Third Party to practice, any Aurigene Technology for any purpose other than as expressly authorized in this Agreement. In addition, notwithstanding Curis' reserved rights under the Curis Technology, Curis covenants not to practice, or grant any Affiliate or Third Party a license to practice, the Curis Technology for the purpose of making or having made Program Compounds or Products in the Curis Territory for use, sale, offer for sale, import, distribution or other exploitation in the Aurigene Territory.

(b) By Aurigene. Aurigene hereby covenants not to practice, and not to permit or cause any Affiliate, sublicensee or other Third Party to practice, any Curis Technology for any purpose other than as expressly authorized in this Agreement. In addition, notwithstanding Aurigene's reserved rights under the Aurigene Technology, during the period in which Curis holds a License or unexercised, but not terminated, Option with respect to a particular Program Compound or Product, Aurigene covenants not to practice, or grant any Affiliate or Third Party a license to practice, the Aurigene Technology for the purpose of making or having made Program Compounds or Products in the Aurigene Territory for use, sale, offer for sale, import, distribution or other exploitation in the Curis Territory. Aurigene further covenants not to conduct: (i) any IND-enabling study of a Program Compound or Product from a Licensed Program except as expressly set forth in the applicable Development Plan and in accordance with the Curis-approved protocol for such IND-enabling study without Curis' prior written consent; (ii) any clinical trial of a Program Compound or Product from a Licensed Program without Curis' prior written consent; or (iii) any IND-enabling study or clinical trial of a Follow-On Molecule for a Program Target Profile for so long as the Aurigene PTP Exclusivity Obligations with respect to such Program Target Profile are in effect; except, in each case, as expressly permitted by Section 5.5.

4.12 No Implied Licenses. No right or license under any Patent Rights or Information is granted or shall be granted by implication. All such rights or licenses are or shall be granted only as expressly provided in the terms of this Agreement.

5. Development, Manufacturing and Commercialization

5.1 Development Plans.

(a) From and after Curis' exercise of the Option with respect to a Program in accordance with Section 4.2, the Parties shall collaborate in the further development of the applicable Development Candidate, with Aurigene conducting IND-enabling preclinical (*i.e.*, GLP toxicology) studies to support a US IND or equivalent filing and providing sufficient drug substance and drug product to support a Phase 1 Trial in the Curis Territory, subject to Section 5.5, and Curis having responsibility for preparing the IND or equivalent application and conducting further development activities, in each case, as more fully described in this Article 5. As promptly as reasonably practicable after such Option exercise, Curis shall prepare, in close consultation with Aurigene, and deliver to Aurigene a preliminary written preclinical development plan setting forth the IND-enabling studies, CMC Activities and other IND-

enabling preclinical development activities that Curis then anticipates will be necessary for the filing of a US IND with respect to the applicable Development Candidate, [**]. Based on such [**], Curis shall [**] development plan [**] Aurigene [**] Curis then [**], including Curis' [**] a ***"Development Plan"***). For clarity, and notwithstanding any other provision of this Agreement to the contrary, Curis shall have [**] Development Plan.

(b) Each Development Plan shall be subject to amendment or update from time to time as follows:

i. that portion of the Development Plan setting forth the activities for which [**] in accordance with Article 2; *provided, however,* that, as Curis [**];

ii. prior to [**] and subject to [**], Curis may amend that portion of the Development Plan setting forth the activities for which [**]; and

iii. after [**] and prior to [**]: (A) Curis may amend that portion of the Development Plan setting forth the activities for which [**], unless such amendment represents [**], in which case Curis shall [**]; and (B) Curis shall [**].

(c) At the reasonable request of [**] with respect to Development Plans, including [**], provided that this Section 5.1(c) is not intended to, and shall not, [**].

(d) As used herein, the term "Development Plan" shall mean the Development Plan as then in effect, including all SOC-recommended or Curis-approved (as applicable) updates and amendments thereto.

5.2 Performance Standards. Each Party shall perform the Development Plan activities for which it is responsible in accordance with the applicable Development Plan and the terms and conditions of this Agreement. In addition, each Party shall perform all such Development Plan activities in good scientific manner and in compliance with all Applicable Laws and, as applicable, GLP, GCP or GMP.

5.3 Performance of Development Plan Activities by Aurigene Affiliates and Subcontractors. Aurigene shall have the right to perform the Development Plan activities for which Aurigene is responsible through any Affiliate or Third Party subcontractor, subject to Curis' prior written approval of any Third Party subcontractor, such approval not to be unreasonably withheld; *provided, however,* that (a) Dr. Reddy's Laboratories Ltd and its subsidiaries are hereby deemed to be approved by Curis for purposes of this Section 5.3, and if the Affiliate or Third Party subcontractor that Aurigene proposes to use has (i) been debarred under Applicable Laws in the US, including 21 U.S.C. §335a, or any comparable Applicable Laws outside of the US, or received notice of any pending action or threat of action with respect to its debarment, or (ii) used in any capacity the services of any individual, corporation, partnership, institution or association which has been debarred under Applicable Laws in the US, including 21 U.S.C. §335a, or any comparable Applicable Laws outside of the US, then (1) Aurigene must seek prior written approval for an Affiliate or pre-approved Third Party subcontractor, and (2) it shall not be unreasonable for Curis to withhold approval of the Affiliate

or Third Party subcontractor, including, in each case, Dr. Reddy's Laboratories Ltd and its subsidiaries; and *provided*, *further,* that: (i) none of Curis' rights hereunder are diminished or otherwise adversely affected as a result of such delegation or subcontracting; (ii) each such Affiliate and subcontractor undertakes in writing obligations of confidentiality and non-use regarding Confidential Information at least as stringent as those undertaken by the Parties pursuant to Article 8; (iii) prior to initiating performance of any Development Plan activities, each such Affiliate and Third Party subcontractor has signed a binding agreement or instrument assigning, and agreeing to assign, to Aurigene all data and other work product resulting from performance of such activities (subject to reasonable and customary exceptions for improvements to the applicable Affiliate's or Third Party subcontractor's pre-existing proprietary technology, or technology of broad applicability that such Affiliate or Third Party subcontractor uses for multiple products in addition to the applicable Program Compound or Product, provided, in each case, that such improvements do not use or incorporate Confidential Information of Curis), including all Patent Rights and other intellectual property rights therein; and (iv) Aurigene shall at all times be fully responsible for the performance of such Affiliate or subcontractor and for payment of such Affiliate or subcontractor.

5.4 Responsibility for Development and Commercialization in the Curis Territory.

(a) Curis Responsibility. From and after Curis' exercise of the Option with respect to a Program, and except for Aurigene's responsibility for performing IND-enabling preclinical development and any Aurigene CMC Activities under Section 5.4(b) and its Phase 1 supply obligations under Section 5.5, Curis shall be solely responsible for conducting the Development Plan for the applicable Development Candidate and otherwise for developing, registering and commercializing Program Compounds and Products in the Field in the Curis Territory. Without limiting the generality of the foregoing, Curis (itself or with or through its Affiliates or Sublicensees) shall be solely responsible for preparing and submitting all required Regulatory Filings in connection with obtaining and maintaining Regulatory Approvals, including all INDs and NDAs, with respect to Program Compounds and Products for each Licensed Program in the Field in the Curis Territory, at Curis' sole expense. [**] Curis [**] Curis [**]. Curis shall [**] in compliance with all Applicable Laws and, [**]. Curis may [**], *provided* that: (i) [**] Aurigene's [**] by the Parties [**], to Curis [**] of Aurigene [**]; and (iv) Curis shall [**].

(b) Aurigene Responsibility. For each Licensed Program, unless otherwise agreed by the Parties, subject to Curis' payment of any applicable Option exercise fees under Section 6.5, Aurigene shall be responsible for: (i) conducting (A) the IND-enabling studies of the applicable Development Candidate in accordance with Curis-approved protocols, (B) any Aurigene CMC Activities with respect to the applicable Development Candidate in accordance with the applicable Development Plan, and (C) any other IND-enabling preclinical development activities that the applicable Development Plan specifies will be the responsibility of Aurigene; in each case, in accordance with the applicable Development Plan; and (ii) providing sufficient drug substance and drug product to support a Phase 1 Trial in the Curis Territory, subject to Section 5.5. Subject to Curis' payment when due of the milestone payment for Acceptance for Filing of the first IND for a Product from each Licensed Program in accordance with

Section 6.6(a), 6.6(b) or 6.6(c), as applicable, Aurigene shall perform its Development Plan responsibilities and Phase 1 Trial supply obligations under Section 5.5, at Aurigene's sole expense.

5.5 Development in the Aurigene Territory. For each Licensed Program that is not a Terminated Program, Aurigene may pursue Regulatory Approval in the Aurigene Territory only for the specific Product(s) from such Licensed Program for which Curis is pursuing or has obtained Regulatory Approval in the Curis Territory as set forth in the applicable Development Plan, and only for the same indication(s) and in the same dosage form(s) and formulation(s) as Curis is pursuing or has obtained Regulatory Approval in the Curis Territory, such that Aurigene will be able to use the data (including Curis Data) and results generated in the conduct of such Development Plan to support NDA filings and Regulatory Approvals with respect to such Product in the Aurigene Territory. However, if the applicable Regulatory Authority of a country in the Aurigene Territory requires, or Aurigene reasonably believes that the applicable Regulatory Authority of a country in the Aurigene Territory will require, the conduct of a particular IND-enabling study or clinical trial of a specific Product for which Curis is pursuing or has obtained Regulatory Approval in the Curis Territory, for the same indication(s) and in the same dosage form(s) and formulation(s) as Curis is pursuing or has obtained Regulatory Approval in the Curis Territory, which study or trial is not expressly contemplated by the applicable Development Plan as a condition to approving or maintaining approval of an NDA for such Product in such country, then Aurigene may conduct such IND-enabling study or clinical trial provided that Aurigene provides Curis written notice and a copy of the protocol for such study at least 30 days prior to the scheduled initiation of such study and considers in good faith any comments to the same received from Curis during such period.

5.6 Phase 1 Supply. For each Program with respect to which Curis exercises the Option in accordance with Section 4.2, Aurigene shall manufacture, or have manufactured, and supply to Curis sufficient quantities of drug substance and drug product, manufactured in accordance with GMP, for use in the conduct of a Phase 1 Trial of the applicable Development Candidate in the Curis Territory. Aurigene represents and warrants that all such Development Candidate drug substance or drug product (as applicable), will: (a) upon delivery to Curis, conform to the applicable specifications for such drug substance or drug product (as applicable) in effect at the time of delivery; (b) have been manufactured in compliance with GMP, as applicable to investigational drugs; and (c) be free and clear of any liens or encumbrances. Notwithstanding anything to the contrary in this Section 5.5, the Parties, through the SOC, may decide that drug substance or drug product may be purchased by Curis from a Third Party supplier at Curis' expense.

5.7 Clinical and Commercial Manufacture for the Curis Territory.

(a) Except for the Phase 1 Trial material that Aurigene is responsible for supplying pursuant to Section 5.5, Curis shall be solely responsible for the manufacture and supply of clinical and commercial Product for use or distribution in the Curis Territory. With respect to each Program Compound or Product, but subject to Sections 5.7(b) and (c), Aurigene shall have an option to nominate one primary global supplier of such drug substance or drug

product (the ***"Supply Option"***); *provided, however,* that the Supply Option shall be subject to the applicable Aurigene-nominated supplier:

i. being competitive in pricing, quality, and production capacity/capability as other potential contract manufacturing organization (***"CMO"***) providers of drug substance or drug product;

ii. then operating a GMP-compliant manufacturing facility at which such drug substance or drug product would be manufactured;

iii. having all government permits, including health, safety and environmental permits, necessary for the operation of such facility;

iv. not having received any Form FD-483 notice (or foreign equivalent) or any FDA or other Regulatory Authority refusal to file, rejection or warning letter that has not been fully addressed by such supplier to the satisfaction of the applicable Regulatory Authority; and

v. not (A) being debarred under Applicable Laws in the US, including 21 U.S.C. §335a, or any comparable Applicable Laws outside of the US, or received notice of any pending action or threat of action with respect to its debarment, or (B) using in any capacity the services of any individual, corporation, partnership, institution or association which has been debarred under Applicable Laws in the US, including 21 U.S.C. §335a, or any comparable Applicable Laws outside of the US;

and *provided, further,* that Curis (or a Sublicensee or Third Party Acquirer, as applicable) will have the right to establish a second source of drug substance or drug product for the Curis Territory not to exceed 50% of total requirements while the Aurigene nominated supplier is materially fulfilling its obligations to Curis.

(b) In the event that Curis enters into a sublicense agreement with a Third Party with respect to any Product, Curis will exercise commercially reasonable efforts to include the Supply Option (subject to all of the conditions set forth in Section 5.7(a)) in such sublicense agreement, but the Parties acknowledge that Curis does not have the power, and agree that Curis is not required, to compel such Sublicensee to include the Supply Option in such sublicense agreement; *provided*, *however*, that in such event, the applicable royalty rates in clause (y) of Section 6.8(a) shall increase by [**]% with respect to such Sublicensee. In the event this increase in royalty rates under clause (y) of Section 6.8(a), results in an unreasonable economic imbalance between the Parties, the Parties shall meet and attempt in good faith to eliminate or otherwise modify this contemplated royalty increase so as to maintain a reasonable economic balance between the Parties.

(c) The Supply Option (subject to all of the conditions set forth in Section 5.7(a)) would survive a permitted assignment of this Agreement by Curis pursuant to Section 14.5. However, if the applicable Third Party Acquirer (directly or through its Affiliates) (i) has substantial GMP manufacturing capabilities of its own and wishes to manufacture Product

internally, or (ii) has a *bona fide* existing arrangement, pre-dating its acquisition of Curis, with a CMO that has already been fully qualified to the Third Party Acquirer's standards for the global supply of other products, then it shall not be a breach of this Agreement for such Third Party Acquirer, after considering in good faith an Aurigene-nominated global supplier of the applicable drug substance or drug product that satisfies all of the conditions set forth in Section 5.7(a), makes a business decision not to contract with such Aurigene-nominated supplier for supply of such drug substance or drug product; *provided*, *however*, that in such event, the applicable royalty rates in Section 6.7 and clause (y) of Section 6.8(a) shall increase by [**]%. In the event this increase in royalty rates under Section 6.7 and clause (y) of Section 6.8(a), results in an unreasonable economic imbalance between the Parties, the Parties shall meet and attempt in good faith to eliminate or otherwise modify this contemplated royalty increase so as to maintain a reasonable economic balance between the Parties. For clarity, if the Aurigene-nominated supplier does not satisfy all of the conditions of Section 5.7(a), then the Third Party Acquirer's decision not to contract with such Aurigene-nominated supplier shall not result any increase to the royalty rates in Section 6.7 and clause (y) of Section 6.8(a).

5.8 Diligence.

(a) By Aurigene. On a Licensed Program-by-Licensed Program basis, Aurigene (directly or through permitted Affiliates or subcontractors) shall use Commercially Reasonable Efforts to perform its obligations under the Development Plan for such Licensed Program in an expeditious manner.

(b) By Curis. On a Licensed Program-by-Licensed Program basis, Curis (directly or through its Affiliates or Sublicensees) shall use Commercially Reasonable Efforts to develop, obtain Regulatory Approval for, and commercialize at least one Product for use within the Field in each of the Major Markets (including each of the Major EU Markets). For purposes of this Section 5.8(b), Commercially Reasonable Efforts shall be determined on a Major Market-by-Major Market basis, and it is anticipated that the level of effort will be different for different Major Markets, and may change over time, reflecting changes in the status of the Major Market involved.

5.9 Disclosure of Results.

(a) IND-Enabling Studies and Aurigene CMC Activities. Aurigene shall deliver to Curis the draft and final study reports for each IND-enabling study and disclose to Curis all results of Aurigene CMC Activities performed by or on behalf of Aurigene under a Development Plan, in each case, promptly following the availability thereof.

(b) Other CMC Activities and Clinical Trials. Curis shall (i) disclose and provide a copy to Aurigene of all results of CMC Activities (other than Aurigene CMC Activities) performed by or on behalf of Curis, including CMC Activities in preparation for or connection with any NDA, and (ii) disclose and provide a copy to Aurigene of full tables, figures and listings from, and deliver a true and complete copy of the final study report for, each study, whether clinical or otherwise, of a Program Compound or Product conducted by or on behalf of Curis, in each case, promptly following the availability thereof. Curis shall disclose and provide

a copy to Aurigene of all other information and data reasonably requested by Aurigene as necessary or useful for manufacture, development or commercialization of a Program Compound or Product in or for the Aurigene Territory.

5.10 Rights of Access and Reference to Regulatory Documents. On a Licensed Program-by-Licensed Program basis with respect to each Licensed Program, effective as of the filing of the first IND for a Product from such Licensed Program in a Major Market, Curis hereby grants to Aurigene the right to access and reference all INDs and NDAs submitted to, and Regulatory Approvals obtained from, any Regulatory Authority in a Major Market by Curis for Products from such Licensed Program (collectively, ***"Curis Regulatory Documents"***); in each case, solely for the purposes of (a) obtaining and maintaining Regulatory Approvals for Products from such Licensed Program in the Field in the Aurigene Territory, and (b) complying with applicable pharmacovigilance and other regulatory requirements with respect to such Products in the Aurigene Territory. Curis shall, promptly upon Aurigene's request, file with the applicable Regulatory Authority(ies) such letters of access or reference as may be necessary to accomplish the intent of this Section 5.10.

5.11 Safety Data Exchange. Each Party shall be solely responsible, at its own expense, for complying with all applicable regulatory requirements with respect to Products in such Party's Territory, including all safety reporting to Regulatory Authorities in such Party's Territory. The Parties shall, promptly upon reasonable request by either Party, negotiate in good faith and enter into a pharmacovigilance/safety data exchange agreement for Products (the ***"PV Agreement"***), which shall set forth standard operating procedures governing the collection, investigation, reporting, and exchange of information concerning adverse drug reactions/experiences. The terms of the PV Agreement shall be no less stringent than those required by FDA and ICH guidelines and shall be sufficient to permit each Party to comply with its regulatory and legal requirements for the management and reporting of safety data regarding such Products by providing for the exchange of relevant information in appropriate format within applicable timeframes. Curis shall be responsible for maintaining, at its own expense, a global safety database for Products from each Licensed Program.

6. Financial Terms

6.1 Upfront Equity Issuance. In consideration of (a) Aurigene's performance of the R&D Plans and Development Plans for PTP1 and PTP2, including delivery of a Development Candidate for each such PTP, conduct of IND-enabling studies and Aurigene CMC Activities for each of PTP1 and PTP2, and manufacture and supply of Phase 1 Trial material for each of PTP1 and PTP2, (b) Aurigene's grant of the R&D Program Option with respect to each of PTP1 and PTP2, (c) Aurigene's agreement to exclusivity under Section 4.7(a), and (d) Aurigene's agreement to continue research efforts to initiate R&D Programs for PTP3 and PTP4, on the Effective Date, and subject to the execution and delivery by Aurigene of the Stock Purchase Agreement, Curis shall issue to Aurigene the number of shares of Curis common stock that represents 19.9% of the outstanding shares of Curis common stock immediately prior to such issuance – *i.e.*, 16.6% of the outstanding shares of Curis common stock immediately after such

issuance (such percentage, the ***"Initial Ownership Percentage"***), in accordance with the Stock Purchase Agreement (the "***Upfront Equity Issuance***").

6.2 Exclusivity Fees.

(a) Exclusivity Option Fees. For each Additional Exclusivity Period by which Curis elects to extend the exclusivity of the Parties' collaboration contemplated by Section 4.7(a) beyond the Initial Exclusivity Period, Curis shall pay to Aurigene no later than the applicable date specified in Section 4.8(a) the applicable fee set forth below (each, an ***"Exclusivity Option Fee"***):

i. for the first Additional Exclusivity Period: $7,500,000; and

ii. for each of the second and third Additional Exclusivity Periods: $10,000,000.

(b) Extended Exclusivity Fees. On a Program Target Profile-by-Program Target Profile basis, for each Extended Exclusivity Period by which Curis elects to extend the exclusivity of the Parties' collaboration contemplated by Section 4.7(b) for a Program Target Profile beyond the Exclusivity Period, Curis shall pay to Aurigene no later than the applicable date specified in Section 4.8(b), a fee of $[**] per 12-month period for each applicable Program Target Profile (each, an ***"Extended Exclusivity Fee"***).

6.3 R&D Program Selection Milestone Payments for PTP3 and PTP4. Within [**] days after SOC recommendation, or Curis' selection (as applicable), of each of PTP3 and PTP4 for the conduct of an R&D Program, Curis shall pay to Aurigene a one-time R&D Program selection milestone payment in the amount of $[**] per R&D Program. For clarity, no R&D Program selection milestone payment shall be due with respect to PTP1 or PTP2.

6.4 Additional R&D Plan Payments. With respect to each Proposed PTP or Aurigene Immuno-oncology PTP that the SOC recommends, or Curis selects (as applicable), as an Additional PTP for the conduct of an Additional R&D Program, Curis agrees to pay Aurigene an aggregate of $[**] for Aurigene's performance of the R&D Plan for such Additional R&D Program (for each such Additional R&D Program, the ***"Additional R&D Plan Payments"***), which shall be payable in installments as follows:

(a) $[**] within [**] days after recommendation or selection of such Additional PTP;

(b) $[**] within [**] days after Lead Candidate identification; and

(c) $[**] within [**] days after both (i) Aurigene delivers to Curis the results of all IND-enabling studies, any Aurigene CMC Activities, and any other IND-enabling preclinical development activities, in each case, that Aurigene is responsible for performing under the applicable Development Plan, and (ii) the SOC reviews such results and confirms that the results provided are sufficient for use in a US IND filing. If, for any reason, the amount in this

Section 6.4(c) has not been paid as of the time of Acceptance for Filing of the first IND for such Additional R&D Program, then Curis shall make such payment within [**] days of such Acceptance for Filing.

6.5 Option Exercise Fees.

(a) Option Exercise Fees for Licensed Programs 1, 2, 3 and 4. For each of Licensed Program 1, Licensed Program 2, Licensed Program 3 and Licensed Program 4 only, Curis shall pay to Aurigene prior to expiration of the applicable Option Period (as the same may be extended pursuant to Section 4.2(b) hereof), a one-time Option exercise fee of $3,000,000 per Licensed Program. *Solely* for purposes of this Section 6.5(a), "Licensed Program 1" refers to the first R&D Program with respect to which Curis exercises the Option, "Licensed Program 2" refers to the second R&D Program with respect to which Curis exercises the Option, "Licensed Program 3" refers to the third R&D Program with respect to which Curis exercises the Option and "Licensed Program 4" refers to the fourth R&D Program with respect to which Curis exercises the Option; *provided, however,* that if Curis does not exercise the Option with respect to at least two R&D Programs, then "Licensed Program 3" shall mean the third Program with respect to which Curis exercises the Option and "Licensed Program 4" shall mean the fourth Program with respect to which Curis exercises the Option (*i.e.*, an Additional R&D Program for which Curis exercises its Option may be considered Licensed Program 3 or Licensed Program 4, as applicable).

(b) Option Exercise Fees for Additional Licensed Programs. Except as expressly provided in Section 6.5(a), Curis shall pay to Aurigene prior to expiration of the applicable Option Period (as the same may be extended pursuant to Section 4.2(b) hereof), a one-time Option exercise fee of $[**] for each Additional R&D Program with respect to which Curis exercises the Option.

6.6 Milestone Payments. With respect to each Licensed Program, Curis shall pay to Aurigene the applicable one-time, non-refundable, non-creditable milestone payments set forth below for the first achievement of the corresponding milestone event by the first Product from such Licensed Program to achieve such milestone event, whether achieved by Curis or by its Affiliate or a Sublicensee. *Solely* for purposes of this Section 6.6: (i) "Licensed Program 1," "Licensed Program 2," "Licensed Program 3" and "Licensed Program 4" refer to the first, second, and if applicable, third and fourth R&D Programs, respectively, to become Licensed Programs; *provided, however,* that if Curis does not exercise at least two Options with respect to R&D Programs, "Licensed Program 1," "Licensed Program 2," "Licensed Program 3" and "Licensed Program 4" shall mean the first, second, third and fourth Programs, respectively, to become Licensed Programs (*i.e.*, they may include Additional R&D Programs for which Curis exercises its Option); and (ii) "Additional Licensed Program" refers to any additional Licensed Program (other than Licensed Programs 1, 2, 3 and 4). For clarity, each milestone payment shall be made only once per Licensed Program.

(a) Licensed Programs 1 and 2. Within [**] days of the first achievement of each of the milestone events set forth in the table below by the first Product from each of Licensed Program 1 and Licensed Program 2 to achieve such milestone event, Curis shall

provide Aurigene with written notice of such achievement and shall pay to Aurigene the corresponding one-time, non-refundable, non-creditable milestone payment set forth below:

Milestone Event	Milestone Payment
Acceptance for Filing of first IND	$3,000,000
Initiation of first Phase 1 Trial	$4,000,000
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]

[**].

(b) Licensed Programs 3 and 4. Within [**] days of the first achievement of each of the milestone events set forth in the table below by the first Product from each of Licensed Program 3 and Licensed Program 4 to achieve such milestone event, Curis shall provide Aurigene with written notice of such achievement and shall pay to Aurigene the corresponding one-time, non-refundable, non-creditable milestone payment set forth below:

Milestone Event	Milestone Payment
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]

[**].

(c) Additional Licensed Programs. Within [**] days of the first achievement of each of the milestone events set forth in the table below by the first Product from each Additional Licensed Program to achieve such milestone event, Curis shall provide Aurigene with written notice of such achievement and shall pay to Aurigene the corresponding one-time, non-refundable, non-creditable milestone payment set forth below (subject to Section 6.6(d) hereof):

Milestone Event	Milestone Payment
Development Milestone Events:	
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
Other Milestone Events:	
[**]	[**]
[**]	[**]
[**]	[**]

[**].

(d) Reduction of Additional Licensed Program Milestone Payments. The amount payable by Curis for achievement of any particular Development Milestone Event set forth in Section 6.6(c) shall be subject to reduction by the applicable percentage set forth below if, at the time such Development Milestone Event is achieved, the Current POI (as defined below) has declined by [**]% or less from the Initial Ownership Percentage (***"Initial POI"***). The ***"Current POI"*** means a fraction, expressed as a percentage, with a numerator equal to the number of shares of Curis common stock constituting the Upfront Equity Issuance, as adjusted for stock splits, stock dividends, combinations, recapitalizations, redemptions, reverse stock splits, share buybacks and the like and with a denominator equal to the total number of shares of Curis common stock outstanding at the time such Development Milestone is achieved:

Percentage Reduction From Initial POI	Percentage Reduction in Payment Amount*
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]

*[**].

6.7 Royalties on Curis Net Sales. Curis shall pay to Aurigene royalties on aggregate annual Net Sales of each Product by Curis and its Affiliates (but, except as set forth below, not Net Sales of such Product by Sublicensees) in the Curis Territory (***"Curis Net Sales"***) at the applicable rates set forth below. *Solely* for purposes of this Section 6.7, "First Program to

Market," "Second Program to Market," "Third Program to Market" and "Fourth Program to Market" refer to the first, second, third and fourth Licensed Programs, respectively, for which there has been a First Commercial Sale of a Product by Curis or any of its Affiliates, and "Additional Licensed Program" refers to any additional Licensed Program (*i.e.*, other than the First Program to Market, Second Program to Market, Third Program to Market and Fourth Program to Market); *provided, however*, that, on a Product-by-Product basis, in the event neither Curis nor any of its Affiliates is directly selling the Product in at least one Major Market, Curis shall pay to Aurigene royalties on aggregate annual Net Sales of such Product in the United States by Sublicensees at the applicable rates set forth below in this Section 6.7.

(a) First, Second, Third and Fourth Programs to Market. For each of the First Program to Market, the Second Program to Market, the Third Program to Market and the Fourth Program to Market, Curis shall pay royalties on aggregate annual Curis Net Sales of Products from the applicable Licensed Program in each calendar year (***"Annual Curis Net Sales"***) at the following rates:

Increments of Annual Curis Net Sales	**Royalty Rate**
That portion of Annual Curis Net Sales that is less than US$[**]	[**]%
That portion of Annual Curis Net Sales that is greater or equal to US$[**] and less than US$[**]	[**]%
That portion of Annual Curis Net Sales that is greater than or equal to US$[**]	10%

(b) Additional Licensed Programs. For each Additional Licensed Program, Curis shall pay royalties on Annual Curis Net Sales of Products from the applicable Licensed Program in each calendar year at the following rates:

Increments of Annual Curis Net Sales	**Royalty Rate**
That portion of Annual Curis Net Sales that is less than US$[**]	[**]%
That portion of Annual Curis Net Sales that is greater or equal to US$[**] and less than US$[**]	[**]%
That portion of Annual Curis Net Sales that is greater than or equal to US$[**]	10%

6.8 Sharing of Sublicensee Royalties. On a Licensed Program-by-Licensed Program and Sublicensee-by-Sublicensee basis, Curis shall pay to Aurigene the applicable percentage set forth below of Sublicensee Royalties received by Curis from a Sublicensee with respect to Products from a Licensed Program, based on: (A) the geographic scope of the sublicense grant to the applicable Sublicensee; and (B) solely in the case of sublicenses in the US and EU, the stage of development of the most advanced Product at the time the sublicense is granted to the applicable Sublicensee. *Solely* for purposes of this Section 6.8: (i) "Licensed Program 1," "Licensed Program 2," "Licensed Program 3" and "Licensed Program 4" refer to the first, second, and if applicable, third and fourth R&D Programs, respectively, to become Licensed Programs; *provided*, *however*, if Curis does not exercise at least two Options with respect to R&D Programs, "Licensed Program 1," "Licensed Program 2," "Licensed Program 3" and

"Licensed Program 4" refer to the first, second, third and fourth Programs, respectively, to become Licensed Programs (*i.e.*, they may include Additional R&D Programs for which Curis exercises its Option); and (ii) "Additional Licensed Program" refers to any additional Licensed Program (other than Licensed Programs 1, 2, 3 and 4).

(a) US/EU. On a Licensed Program-by-Licensed Program and Sublicensee-by-Sublicensee basis, with respect to a Sublicensee's (and its further Sublicensees') sales or other disposition of Products from a Licensed Program in the US and the EU (***"Sublicensee US/EU Net Sales"***), Curis shall pay to Aurigene the greater of: (x) the applicable percentage of Sublicensee Royalties specified below; and (y) royalties on Sublicensee US/EU Net Sales:

Licensed Program 1 and Licensed Program 2

	Greater of:	
Development Stage of Most Advanced Product at Time of Sublicense Grant	**% of Sublicensee Royalties**	**% of Sublicensee US/EU Net Sales†**
[**]	[**]%	10%
[**]	[**]%	[**]%
After earlier of (i) Initiation of first Phase 2 Trial and (ii) determination by Curis that human proof-of-concept has been established in any Indication, and before Initiation of first Pivotal Trial	25%	[**]%
After Initiation of first Pivotal Trial	15%	[**]%

† Subject to (i) deductions for Third Party royalties in accordance with Section 6.10, (ii) reduction in accordance with Section 6.11 or Section 6.13, and (iii) in each case, Section 6.14.

Licensed Program 3 and Licensed Program 4

	Greater of:	
Development Stage of Most Advanced Product at Time of Sublicense Grant	**% of Sublicensee Royalties**	**% of Sublicensee US/EU Net Sales†**
[**]	[**]%	10%
[**]	[**]%	[**]%
After earlier of (1) Initiation of first Phase 2 Trial and (2) determination by Curis that human proof-of-concept has been established in any Indication, and before Initiation of first Pivotal Trial	25%	[**]%
After Initiation of first Pivotal Trial	15%	[**]%

† Subject to (i) deductions for Third Party royalties in accordance with Section 6.10, (ii) reduction in accordance with Section 6.11 or Section 6.13, and (iii) in each case, Section 6.14.

Each Additional Licensed Program		
	Greater of:	
Development Stage of Most Advanced Product at Time of Sublicense Grant	**% of Sublicensee Royalties**	**% of Sublicensee US/EU Net Sales†**
[**]	[**]%	10%
[**]	[**]%	[**]%
After earlier of (1) Initiation of first Phase 2 Trial and (2) determination by Curis that human proof-of-concept has been established in any Indication, and before Initiation of first Pivotal Trial	25%	[**]%
After Initiation of first Pivotal Trial	15%	[**]%

† Subject to (i) deductions for Third Party royalties in accordance with Section 6.10, (ii) reduction in accordance with Section 6.11 or Section 6.13, and (iii) in each case, Section 6.14.

(b) Rest of Curis Territory. Curis shall pay to Aurigene 50% of all Sublicensee Royalties received with respect to a Sublicensee's (and its further Sublicensees') sales or other disposition of Products from a Licensed Program in the rest of the Curis Territory (outside US and EU).

6.9 Non-Royalty Sublicense Revenues.

(a) US/EU Non-Royalty Sublicense Revenues. On a Licensed Program-by-Licensed Program and Sublicensee-by-Sublicensee basis, and subject to Section 6.9(c), Curis shall pay to Aurigene the applicable percentage set forth below of all Non-Royalty Sublicense Revenues received by Curis and its Affiliates from a Sublicensee with respect to the grant of a sublicense of a Licensed Program in the US or EU (***"US/EU Non-Royalty Sublicense Revenues"***), based on the stage of development of the most advanced Product at the time the sublicense is granted to the applicable Sublicensee:

Development Stage of Most Advanced Product at Time of Sublicense Grant	**% of US/EU Non-Royalty Sublicense Revenues**
[**]	[**]%
[**]	[**]%
After earlier of (1) Initiation of first Phase 2 Trial and (2) determination by Curis that human proof-of-concept has been established in any Indication, and before Initiation of first Pivotal Trial	25%
After Initiation of first Pivotal Trial	15%

(b) Ex-US/EU Non-Royalty Sublicense Revenues.

i. Curis shall pay to Aurigene 50% of all Non-Royalty Sublicensing Revenues received by Curis and its Affiliates from an Asia Partner, regardless of when such Non-Royalty Sublicensing Revenues are received.

ii. Except as set forth in Section 6.9(b)(i), on a Licensed Program-by-Licensed Program and Sublicensee-by-Sublicensee basis, and subject to Section 6.9(c), Curis shall pay to Aurigene the applicable percentage set forth below of Non-Royalty Sublicense Revenues received by Curis and its Affiliates from a Sublicensee with respect to the grant of a sublicense of a Licensed Program in the rest of the Curis Territory (outside US, EU and Asia) (***"Ex-US/EU/Asia Non-Royalty Sublicense Revenues"***), based on (A) the cumulative amount of Ex-US/EU/Asia Non-Royalty Sublicense Revenues received and (B) whether the Ex-US Non-Royalty Sublicense Revenues are received before or after receipt of the first Regulatory Approval for a Product from the applicable Licensed Program in any country of the rest of the Curis Territory (outside US, EU and Asia) (***"First Ex-US/EU/Asia Approval"***):

Time of Receipt of Ex-US/EU/Asia Non-Royalty Sublicense Revenues	**% of Ex-US/EU/Asia Non-Royalty Sublicense Revenues**
Prior to first Ex-US/EU/Asia Approval:	
First $[**] of cumulative Ex-US/EU/Asia Non-Royalty Sublicense Revenues received	30%
Next $[**] of cumulative Ex-US/EU/Asia Non-Royalty Sublicense Revenues received	[**]%
All Ex-US/EU/Asia Non-Royalty Sublicense Revenues received after the first $[**] of cumulative Ex-US/EU/Asia Non-Royalty Sublicense Revenues	50%
After first Ex-US/EU/Asia Approval	50%

(c) Treatment of Milestone Payments for Additional Licensed Programs. Solely in the case of any Additional R&D Program that becomes a Licensed Program, if Curis receives a milestone payment from a Sublicensee with respect to the achievement by such Sublicensee of a milestone event for which Curis is obligated to pay a milestone payment to Aurigene under Section 6.6, then only that portion of the milestone payment received by Curis from such Sublicensee that exceeds the amount of the milestone payment Curis is obligated to pay to Aurigene for achievement of such milestone event under Section 6.6 shall be included in Non-Royalty Sublicense Revenues.

(d) Geographic Allocation Mechanism. If Curis grants a sublicense with respect to a Licensed Program in more than one of (i) the US or the EU, (ii) Asia and (iii) one or more other countries in the Curis Territory, then the Non-Royalty Sublicense Revenues received from the applicable Sublicensee under such sublicense shall be allocated amongst the foregoing

categories of country in the Curis Territory in proportion to the respective percentage shares of the total pharmaceutical market by sales for all countries covered by such sublicense that are represented by (A) the country(ies) in category (i) above that are covered by such sublicense, (B) the country(ies) in category (ii) above that are covered by such sublicense, and (C) the country(ies) in category (iii) above that are covered by such sublicense; in each case, as reported by IMS Health (or such other resource as the Parties may mutually agree in writing) for the most recently available calendar year; *provided, however,* that any item of Non-Royalty Sublicense Revenues received under such sublicense that is unequivocally tied to a particular country or jurisdiction that is entirely within only one of category (i), category (ii) or category (iii) above (*e.g.*, Acceptance for Filing of IND or NDA by the EMA, or Regulatory Approval in Japan) shall be allocated solely to such category ((i), (ii) or (iii), as applicable).

6.10 Third Party Licenses.

(a) In the event that Curis (or its Affiliate or Sublicensee, as applicable) is required to obtain one or more licenses under Patent Rights of Third Parties reasonably necessary (as discussed below) for the manufacture, use or sale of a Product in a country (hereinafter ***"Third Party Licenses"***), [**]% of the royalties actually paid under such Third Party Licenses by Curis (or by such Affiliate or Sublicensee, as applicable) for sale of such Product in such country for a calendar quarter will be creditable against the royalty payments due to Aurigene by Curis with respect to Net Sales of such Product in such country (whether pursuant to Section 6.7 or, if applicable, clause (y) of Section 6.8(a)); *provided, however,* that in no event will the royalties owed by Curis to Aurigene hereunder with respect to Net Sales of such Product for such calendar quarter be reduced by more than [**]%; and *provided, further,* that Curis will not be entitled to credit any portion of royalties paid by Curis or its Affiliate or Sublicensee to Third Parties with respect to any Other Active in any Combination Product.

(b) For purposes of this Section 6.10, valid reasons for determining that a license under Patent Rights of a Third Party is "reasonably necessary" for the manufacture, use or sale of a Product in a country shall be limited to the following:

i. without the practice of the invention(s) claimed by such Patent Rights in the manufacture, use or sale of such Product, the applicable Product would not be commercially viable, would likely be materially less profitable, or would not achieve a commercially reasonable level of market acceptance, in such country; or

ii. in the absence of a license under such Patent Rights, such Patent Rights would be infringed by the manufacture, use or sale of such Product in such country.

(c) Promptly after Curis or its Affiliate enters into, or receives notice that a Sublicensee has entered into, a Third Party License, Curis shall notify Aurigene in writing of the Patent Rights covered by such Third Party License. If Aurigene in good faith disagrees with the determination by Curis (or its Affiliate or Sublicensee) that such Third Party License is reasonably necessary for the manufacture, use or sale of a Product in a country, Aurigene shall so notify Curis in writing within [**] days after receipt of such notice from Curis, whereupon the Parties shall promptly confer regarding the matter and attempt in good faith to reach consensus

for up to [**] days from Curis' receipt of such notice from Aurigene. If the Parties are unable to reach consensus within such [**]-day period, then the Parties shall submit the matter to an independent Third Party expert with relevant experience in pharmaceutical industry practices with respect to the in-licensing of patent rights in connection with the commercialization of pharmaceutical products for resolution and sufficient experience and background to evaluate the scope of the patent rights' validity and enforceability under the Third Party License and whether reasonably necessary for the manufacture, use or sale of a Product in a country, which expert shall be agreed upon by both Parties or, failing such agreement, designated by the International Centre for Dispute Resolution located in New York City, NY. The sole authority of such expert will be to determine whether or not such Third Party License is reasonably necessary for the manufacture, use or sale of such Product in such country, and such expert's determination shall be final and binding upon the Parties. The independent Third Party expert shall be required to make his or her determination within [**] days after selection of the independent Third Party expert. The Parties shall initially bear the fees and expenses of such expert equally, but the prevailing Party shall reimburse the other Party for the documented fees and expenses of such expert paid by the prevailing Party.

6.11 Compulsory Licenses. If a compulsory license is granted to a Third Party with respect to Product in any country with a royalty rate lower than the applicable royalty rate under clause (y) of Section 6.8(a), then the royalty rate applicable to Net Sales of such Product in that country by such compulsory licensee under clause (y) of Section 6.8(a) shall be reduced to a rate which is [**]%) percentage points (*i.e.*, [**] basis points) less than the rate paid by the compulsory licensee; *provided*, *however,* that if the royalty rate payable by the compulsory licensee with respect to Net Sales of such Product in such country is less than [**]%, then the royalty rate under clause (y) of Section 6.8(a) shall be reduced to [**]% of the rate paid by the compulsory licensee, but only with respect to sales or other disposition of Product in that country by that compulsory licensee.

6.12 Adjustment for Generic Competition. On a Product-by-Product and country-by-country basis, if one or more Generic Versions of such Product account for [**]% or more of aggregate unit sales of such Product and such Generic Version(s) in such country in a calendar quarter, as determined by reference to applicable sales data obtained from IMS Health or from such other source for such sales data as may be agreed upon by the Parties (provided that such other source, if any, shall be generally recognized as a reliable source for pharmaceutical sales data among major pharmaceutical companies): (a) if Curis, an Affiliate or a Sublicensee grants rights to a Third Party to commercialize an authorized generic Product (*i.e.*, the same Product marketed without any Product trademarks under the same NDA as the branded Product) where the royalty rate payable by the Third Party on sales or other dispositions of the authorized generic Product is lower than the applicable royalty rate under clause (y) of Section 6.8(a), then the royalty rate applicable to Net Sales of such authorized generic Product in that country by such Third Party under clause (y) of Section 6.8(a) shall be reduced to a rate which is [**] percentage points (*i.e.*, [**] basis points) less than the rate paid by the Third Party; *provided*, *however,* that if the royalty rate payable by the Third Party with respect to Net Sales of such authorized generic Product in such country is less than [**]%, then the royalty rate under clause (y) of Section 6.8(a) shall be reduced to [**]% of the rate paid by the Third Party, but only

with respect to sales or other disposition of such authorized generic Product in that country by that Third Party; or (b) if Curis, an Affiliate or a Sublicensee reduces its pricing for the applicable branded Product in the applicable country such that the royalties payable to Aurigene with respect to such branded Product in such country results in an unreasonable economic imbalance between the Parties, the Parties shall meet and attempt in good faith to agree to modified royalty obligations for Curis so as to maintain a reasonable economic balance between the Parties; *provided, however,* that if the royalty rate payable by such Sublicensee with respect to Net Sales of the branded Product in such country is less than the applicable royalty rate under clause (y) of Section 6.8(a), then the royalty rate applicable to Net Sales of the branded Product in that country by such Sublicensee under clause (y) of Section 6.8(a) shall be reduced to a rate which is [**] percentage points (*i.e.*, [**] basis points) less than the rate paid by such Sublicensee; and *provided, further,* that if the royalty rate payable by such Sublicensee with respect to Net Sales of the branded Product in such country is less than [**]%, then the royalty rate under clause (y) of Section 6.8(a) shall be reduced to [**]% of the rate paid by such Sublicensee, but only with respect to sales or other disposition of such branded Product in that country by such Sublicensee.

6.13 Royalty Term. Royalties and payments with respect to Sublicensee Royalties shall be payable on a Product-by-Product and country-by-country basis from First Commercial Sale of a Product in a country until the later of (i) 10 years from First Commercial Sale of such Product in such country and (ii) expiration of the last-to-expire Valid Claim of the Aurigene Patent Rights claiming or covering the manufacture, use or sale of such Product or the Program Compound contained therein in such country (the ***"Royalty Term"***); *provided, however,* that during any portion of the Royalty Term for a Product in a country when there is no Valid Claim of the Aurigene Patent Rights covering the manufacture, use or sale of such Product or the Program Compound contained therein in such country, and where a requirement to pay the full royalty rate would render any payment obligation unenforceable under Applicable Law, Curis' royalty payment obligations with respect to Curis Net Sales of such Product in such country, or Curis' minimum royalty payment obligations with respect to Net Sales of such Product by Sublicensees in such country, as applicable, shall be reduced by [**]%. On a Product-by-Product and country-by-country basis, upon expiration of the Royalty Term with respect to a Product in a country, the License with respect to such Product shall become royalty-free, fully-paid, irrevocable and perpetual.

6.14 Royalty Floor. Except as set forth in the provisos to Section 6.12, Curis' royalty payment obligations with respect to Curis Net Sales of a Product in a country, or Curis' minimum royalty payment obligations with respect to Net Sales of a Product by Sublicensees in a country, as applicable, shall not be reduced to less than [**]% of the payments that would otherwise be due by reason of any and all deductions, adjustments or reductions that may be available under Sections 6.10, 6.12 and 6.13. For clarity, this Section 6.14 shall not apply to reductions pursuant to Section 6.11.

7. Payments; Records; Audits

7.1 Payment; Reports. Royalties under Section 6.7 shall be calculated for each calendar quarter during the Royalty Term and paid within [**] days after the end of the calendar quarter. Payments under Sections 6.8 and 6.9 shall be calculated and paid within [**] days of receipt by Curis. Each such payment shall be accompanied or preceded by a report of Curis Net Sales, Sublicensee Royalties, Net Sales of Products by Sublicensees, and Non-Royalty Sublicense Revenues in sufficient detail to permit confirmation of the accuracy of the payment made, including the number of Products sold, gross sales, Net Sales of Products and itemized deductions from gross sales (by major category as set forth in the definition of Net Sales), details of any royalty credits taken pursuant to Section 6.10 on a Third Party Patent License-by-Third Party Patent License basis, any applicable reductions or adjustments made pursuant to Section 6.11, Section 6.12 or Section 6.13, the amounts payable, and the exchange rates used, in each case on a Product-by-Product and country-by-country basis; *provided*, *however,* that in the case of gross sales and Net Sales of Products by a Sublicensee, if such Sublicensee does not, despite Curis having used commercially reasonable efforts to obtain such Sublicensee's agreement to do so under the applicable sublicense agreement, account for or report gross sales, Net Sales or deductions from gross sales on a Product-by-Product and country-by-country basis in certain regions, or does not account for or report deductions from gross sales on an itemized basis, then, in each case, Curis' report regarding such Sublicensee's gross sales, Net Sales, and deductions from gross sales need contain only the same level of detail that is reported to Curis by such Sublicensee.

7.2 Exchange Rate; Manner and Place of Payment. All payment amounts in this Agreement are expressed in U.S. dollars, and all payments hereunder shall be payable in U.S. dollars. When conversion of payments from any foreign currency is required, such conversion shall be calculated by applying the average interbank exchange rate as published on www.oanda.com (or such other resource as the Parties mutually agree in writing) for every day within the calendar quarter for which payment is due. All payments owed under this Agreement shall be made by wire transfer in immediately available funds to the bank and account designated in writing by Aurigene.

7.3 Taxes.

(a) In connection with Upfront Equity Issuance.

i. Curis agrees that the Upfront Equity Issuance shall be made without setoff or counterclaim and free and clear of, and without deduction for, United States federal income Taxes. If any such Taxes are required to be withheld or otherwise paid with respect to the Upfront Equity Issuance, Curis shall timely pay such Taxes and, as promptly as possible thereafter, send to Aurigene an official receipt showing payment thereof, together with such additional documentary evidence as may be reasonably requested by Aurigene. Aurigene shall cooperate with Curis in any way reasonably requested by Curis, to obtain available reductions, credits or refunds of such Taxes. Without limiting the generality of the foregoing, upon request by Curis, Aurigene shall provide Curis such information in Aurigene's possession as may be

reasonably necessary for Curis to obtain the benefit of any applicable reduction in Taxes or any present or future treaty against double taxation which may apply to the Upfront Equity Issuance.

ii. Curis shall indemnify Aurigene, within [**] days after written demand therefor, for the full amount of any Taxes paid by Aurigene that Curis was obliged to deduct and withhold under Section 7.3(a)(i) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Curis by Aurigene shall be conclusive absent manifest error.

(b) In connection with all other payments to Aurigene.

i. Aurigene will pay any and all Taxes levied on account of any payments made to it under this Agreement, other than the Upfront Equity Issuance, and any and all Taxes imposed under the laws of the Republic of India with respect to the transactions contemplated by this Agreement. If any U.S. federal income Taxes are required to be withheld by Curis from any payment made to Aurigene under this Agreement (other than the Upfront Equity Issuance), Curis shall (i) deduct such taxes from the payment made to Aurigene, (ii) timely pay the taxes to the proper taxing authority, (iii) send proof of payment to Aurigene and certify its receipt by the taxing authority within [**] days following such payment, and (iv) cooperate with Aurigene in any way reasonably requested by Aurigene, to obtain available reductions, credits or refunds of such taxes. Without limiting the generality of the foregoing, upon request by Aurigene, Curis shall provide Aurigene such information in Curis' possession as may be reasonably necessary for Aurigene to obtain the benefit of any applicable reduction in Taxes or any present or future treaty against double taxation which may apply to payments made to Aurigene under this Agreement.

ii. Aurigene shall indemnify Curis, within [**] days after written demand therefor, for the full amount of any Taxes paid by Curis for which Aurigene is liable under Section 7.3(b)(i) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Aurigene by Curis shall be conclusive absent manifest error.

7.4 Audits. Curis shall keep (and shall cause its Affiliates and Sublicensees (to the extent applicable) to keep) complete and accurate records pertaining to the sale or other disposition of Products, Sublicensee Royalties and Non-Royalty Sublicense Revenues, in each case, in sufficient detail to permit Aurigene to confirm the accuracy of all royalty and revenue-based payments due under Sections 6.7, 6.8 and 6.9 for at least [**] full calendar years following the end of the calendar year to which they pertain. Aurigene shall have the right, [**], to cause an independent, certified public accountant of international standing and reasonably acceptable to Curis to audit such records solely to confirm Curis Net Sales, Sublicensee Royalties, Net Sales of Products by Sublicensees, Non-Royalty Sublicense Revenues, and royalty and revenue-based payments for a period covering not more than the preceding [**] full calendar years. No calendar year shall be subject to audit under this section more than [**]. Such audits may be exercised during normal business hours upon at least [**] days' prior written notice to Curis in the location where the records are maintained. The auditor will execute a reasonable written

confidentiality agreement with Curis and will disclose to Aurigene only such information as is reasonably necessary to provide Aurigene with information regarding any actual or potential discrepancies between amounts reported and actually paid and amounts payable under this Agreement. The auditor will send a copy of the report to Curis at the same time it is sent to Aurigene. The report sent to both Parties will include the methodology and calculations used to determine the results. Prompt adjustments shall be made by the Parties to reflect the results of such audit. Aurigene shall bear the full cost of such audit unless such audit discloses an underpayment by Curis of more than [**]% of the amount due for any calendar year under this Agreement, in which case, Curis shall bear the full cost of such audit and shall within [**] days remit to Aurigene the amount of any underpayment and late payment interest calculated pursuant to Section 7.5. If such audit discloses an overpayment by Curis, then Curis will deduct the amount of such overpayment from amounts otherwise owed to Aurigene under this Agreement.

7.5 Late Payments. In the event that any payment due under this Agreement is not made when due, the payment shall accrue interest at a rate of [**]% per month for the period from the due date for payment until the date of actual payment; *provided*, *however*, that in no event shall such rate exceed the maximum legal annual interest rate. The payment of such interest shall not limit Aurigene from exercising any other rights it may have as a consequence of the lateness of any payment.

8. Confidentiality; Publication

8.1 Confidential Information. Except to the extent expressly authorized by this Agreement, the Receiving Party agrees that, during the Term and for [**] years thereafter, it shall keep confidential and shall not publish or otherwise disclose to any Third Party, and shall not use for any purpose other than as expressly provided for in this Agreement, any Confidential Information of the Disclosing Party. The Receiving Party shall use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but in no event less than reasonable care) to ensure that its, and its Affiliates', Representatives do not disclose or make any unauthorized use of the Confidential Information. The Receiving Party shall promptly notify the Disclosing Party upon discovery of any unauthorized use or unauthorized disclosure of the Disclosing Party's Confidential Information.

8.2 Exceptions. Confidential Information shall not include any information which the Receiving Party can prove by competent evidence: (a) is now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party in violation of this Article 8, generally known or available; (b) is known by the Receiving Party or any of its Affiliates at the time of receiving such information, other than being known as a result of disclosure directly or indirectly by the Disclosing Party, as evidenced by its records (provided that the exception in this clause (b) shall not apply to Joint Inventions); (c) is hereafter furnished to the Receiving Party or any of its Affiliates by a Third Party, as a matter of right and without restriction on disclosure; or (d) is independently discovered or developed by the Receiving Party or any of its Affiliates, without the use of Confidential Information of the Disclosing Party.

8.3 Authorized Disclosure. Notwithstanding the provisions of Section 8.1, the Receiving Party may disclose Confidential Information of the Disclosing Party as expressly

permitted by this Agreement, or if and to the extent such disclosure is reasonably necessary in the following instances:

(a) filing or prosecuting Patent Rights as permitted by this Agreement;

(b) enforcing such Party's rights under this Agreement and in performing its obligations under this Agreement;

(c) prosecuting or defending litigation as permitted by this Agreement;

(d) complying with applicable court orders, applicable laws, rules or regulations, or the listing rules of any exchange on which the Receiving Party's securities are traded;

(e) disclosure to Affiliates, actual and potential licensees and sublicensees, employees, consultants or agents of the Receiving Party who have a need to know such information in order for the Receiving Party to exercise its rights or fulfill its obligations under this Agreement, provided, in each case, that any such Affiliate, actual or potential licensee or sublicensee, employee, consultant or agent agrees to be bound by terms of confidentiality and non-use comparable to those set forth in this Article 8; and

(f) disclosure to Third Parties in connection with due diligence or similar investigations by such Third Parties, and disclosure to potential Third Party investors in confidential financing documents, provided, in each case, that any such Third Party agrees to be bound by reasonable obligations of confidentiality and non-use.

Notwithstanding the foregoing, in the event the Receiving Party is required to make a disclosure of the Disclosing Party's Confidential Information pursuant to Section 8.4(c) or 8.4(d), it will, except where impracticable in the case of requirements of applicable court orders or applicable laws, rules or regulations under Section 8.4(d), (i) give reasonable advance notice to the Disclosing Party of such disclosure, (ii) use efforts to secure confidential treatment of such information at least as diligent as the Receiving Party would use to protect its own confidential information, but in no event less than reasonable efforts, and (iii) cooperate with any efforts by the Disclosing Party, at the Disclosing Party's request and expense, to secure confidential treatment of such Confidential Information. In any event, the Receiving Party agrees to take all reasonable action to avoid disclosure of Confidential Information hereunder.

8.4 Publications.

(a) Program Technology. If a Party proposes to publish or present any material disclosing Program Technology, such as by oral presentation, manuscript or abstract, that Party will communicate such intent to the SOC and the Patent Team through the Alliance Manager. The Patent Team shall first consider and determine whether any additional patent applications claiming or covering the Program Technology proposed to be disclosed should be made before the Party proposing to make such publication or presentation may proceed. The SOC, in consultation with the Patent Team, shall also discuss in good faith whether the proposed publication or presentation should be made solely by the proposing Party or jointly by the

Parties. After determination that all appropriate applications for Program Patent Rights have been filed with respect to the applicable Program Technology, and before any such material is submitted for publication or disclosure, the Party proposing publication or presentation (the ***"Publishing Party"***) shall deliver a complete copy to the other Party and to the Patent Team at least [**] days (except in the case of oral presentation materials and abstracts, which are addressed below) prior to submitting the material to a publisher or initiating such other disclosure, and the non-publishing Party shall review any such material and give their respective comments to the Publishing Party within [**] days of the delivery of such material to the non-publishing Party, which comments shall be considered by the Publishing Party in good faith. With respect to oral presentation materials and abstracts, the Publishing Party shall deliver a complete copy to the non-publishing Party at least [**] days prior to the anticipated date of the presentation, and the non-publishing Party shall use reasonable efforts to expedite review of such materials and abstracts, and shall return such items as soon as practicable to the Publishing Party with appropriate comments, if any, but in no event later than [**] days from the date of delivery to the non-publishing Party, which comments shall be considered by the Publishing Party in good faith. The Publishing Party shall comply with the non-publishing Party's requests to delete references to the non-publishing Party's Confidential Information (other than the applicable Program Technology) in any such material and, if the non-publishing Party or the Patent Team identifies potentially patentable subject matter in such material, agrees to delay any submission for publication or other public disclosure for a period of up to an additional [**] days to allow for the preparation and filing of appropriate patent applications. For clarity, the requirements under this Section 8.5(a) with respect to a Program shall cease in the event Curis' Option with respect to such Program expires unexercised or is terminated prior to exercise.

Notwithstanding the foregoing, the Parties agree that: (A) no Program Technology from a Program shall be published before the earlier of (1) Curis' exercise of the Option with respect thereto and (2) expiration of the applicable Option Period if Curis has not exercised such Option prior to such expiration, unless mutually agreed by the Parties in writing; and (B) no unpublished chemical structure of a Program Compound for a Program Target Profile for so long as the Aurigene PTP Exclusivity Obligations with respect to such Program Target Profile are in effect, shall be published without unanimous recommendation of the SOC and applicable Patent Team.

(b) Clinical Trial Results. For clarity, Curis and its Affiliates shall be free to publish, and to authorize Sublicensees to publish, the results of any clinical trial of a Product conducted by or on behalf of Curis, its Affiliate or a Sublicensee, without the prior review or approval of Aurigene.

8.5 Publicity.

(a) Press Releases. No later than one (1) business day following the Effective Date, the Parties shall issue joint press release announcing the execution of this Agreement in substantially the form attached hereto as **Exhibit A**. It is further acknowledged that each Party may desire or be required to issue subsequent press releases relating to this Agreement or activities hereunder. The Parties agree to consult with each other reasonably and in good faith with respect to the text and timing of subsequent press releases prior to the issuance thereof,

provided that a Party may not withhold consent to such releases that the other Party may determine, based on advice of counsel, are reasonably necessary to comply with Applicable Laws, including disclosure requirements of the U.S. Securities and Exchange Commission, or with the requirements of any stock exchange on which securities issued by a Party or its Affiliates are traded. In the event of a required public announcement, to the extent there is sufficient time while still being able to comply with Applicable Laws, including disclosure requirements of the U.S. Securities and Exchange Commission, or with the requirements of any stock exchange on which securities issued by a Party or its Affiliates are traded, the Party making such announcement shall provide the other Party with a copy of the proposed text of such announcement sufficiently in advance of the scheduled release to afford such other Party a reasonable opportunity to review and comment upon the proposed text. Each Party may make public statements regarding this Agreement in response to questions by the press, analysts, investors or those attending industry conferences or financial analyst calls, or issue press releases, so long as the contents of any such public statement or press release are contained in a prior public disclosure or public statement approved by the other Party pursuant to this Section 8.6(a) or permitted by Section 8.4 and does not reveal non-public information about the other Party.

(b) Filing of this Agreement. The Parties shall coordinate in advance with each other in connection with the filing of this Agreement (including redaction of certain provisions of this Agreement) with any securities authority or with any stock exchange on which securities issued by a Party or its Affiliate are traded, and each Party will use reasonable efforts to seek and obtain confidential treatment for the terms proposed to be redacted; provided that each Party will ultimately retain control over what terms are disclosed to any securities authority or stock exchange, as the case may be, to the extent such Party determines, on the advice of legal counsel, that disclosure is reasonably necessary to comply with Applicable Laws, including disclosure requirements of the U.S. Securities and Exchange Commission, or with the requirements of any stock exchange on which securities issued by a Party or its Affiliates are traded, and provided further that the Parties will use their reasonable efforts to file redacted versions with any governing bodies which are consistent with redacted versions previously filed with any other governing bodies.

8.6 Prior Non-Disclosure Agreements. As of the Effective Date, the terms of this Article 8 shall supersede any prior non-disclosure, secrecy or confidentiality agreement between the Parties (or their Affiliates) dealing with the subject of this Agreement, including the Mutual CDA and the Supplemental CDA. Any Confidential Information disclosed by a Party pursuant to any such prior agreement shall be deemed Confidential Information of such Party for purposes of this Agreement.

9. Representations and Warranties

9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other that, as of the Effective Date: (a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate or other power and authority to enter into this Agreement and to carry out the provisions hereof; (b) it is duly

authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the person or persons executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate or partnership action; (c) this Agreement is legally binding upon it, enforceable in accordance with its terms, and does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound (including, with respect to Aurigene, the Pierre Fabre Agreement), nor violate any material law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it; and (d) neither such Party nor any of its Affiliates is debarred under Applicable Laws in the US, including 21 U.S.C. §335a, or any comparable Applicable Laws outside of the US. In addition, Aurigene represents and warrants to Curis that, as of the Effective Date, neither Aurigene nor any of its Affiliates: (i) is conducting, or is obligated to conduct, discovery, research or development with respect to PTP1 or PTP2 on behalf of, or in collaboration with, any Third Party; or (ii) has granted any Third Party any license, option or other right with respect to compounds, the primary mechanism of action of which is modulation of PTP1 or PTP2, other than, in the case of PTP2, the rights granted by Aurigene to Pierre Fabre with respect to molecules claimed in patent applications [**] or products incorporating such molecules.

9.2 Mutual Covenants. In addition to any covenants made by either Party elsewhere in this Agreement, each Party hereby covenants to the other Party as follows:

(a) neither such Party nor any of its Affiliates will employ or use the services of any Person who is debarred under Applicable Laws in the US, including 21 U.S.C. §335a, or any comparable Applicable Laws outside of the US, in connection with activities relating to any Program Compound or Product; and in the event that such Party becomes aware of the debarment or threatened debarment of any Person providing services to such Party or any of its Affiliates with respect to any activities relating to any Program Compound or Product, such Party will immediately notify the other Party in writing and will cease, or cause its Affiliate to cease (as applicable), employing, contracting with, or retaining any such Person to perform any services relating to any Program Compound or Product;

(b) neither such Party nor any of its Affiliates will, in connection with the exercise of its rights or performance of its obligations under this Agreement, directly or indirectly through Third Parties, pay, promise or offer to pay, or authorize the payment of, any money or give any promise or offer to give, or authorize the giving of anything of value to a public official or entity for the purpose of obtaining or retaining business for or with, or directing business to, any Person, including such Party and its Affiliates, nor will such Party or any of its Affiliates directly or indirectly promise, offer or provide any corrupt payment, gratuity, emolument, bribe, kickback, illicit gift or hospitality or other illegal or unethical benefit to a public official or entity or other Person or otherwise violate any anti-bribery provisions of Applicable Law in connection with the exercise of such Party's rights or performance of such Party's obligations under this Agreement;

(c) neither such Party nor any of its Affiliates (or any of their respective employees and contractors), in connection with the exercise of such Party's rights or

performance of such Party's obligations under this Agreement, shall cause the other Party to be in violation of the FCPA or Export Control Laws; and

(d) such Party shall immediately notify the other Party if such Party has any information or suspicion that there may be a violation of the FCPA or Export Control Laws in connection with the exercise of such Party's rights or performance of such Party's obligations under this Agreement.

9.3 Disclaimer. Except as expressly set forth in this Agreement, THE TECHNOLOGY AND INTELLECTUAL PROPERTY RIGHTS PROVIDED BY EACH PARTY HEREUNDER ARE PROVIDED "AS IS." Except as expressly set forth in this Agreement, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF PATENTS, NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES.

9.4 Limitation of Liability. EXCEPT FOR LIABILITY FOR BREACH OF ARTICLE 8, NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT OR ANY LICENSE GRANTED HEREUNDER; *provided, however,* that this Section 9.4 shall not be construed to limit either Party's indemnification obligations under Article 12.

10. Intellectual Property

10.1 Ownership of Inventions. Inventorship of Inventions shall be determined in accordance with the rules of inventorship under U.S. patent laws. Aurigene shall solely own all Aurigene Inventions. Curis shall solely own all Curis Inventions. The Parties shall jointly own all Joint Inventions. For clarity, the Parties do not intend for Program Inventions to be jointly owned by the Parties, except with respect to any Program Inventions that are Joint Inventions. Subject to the rights, obligations and licenses granted under this Agreement, each Party shall have the right to use, and grant licenses to use, any Joint Invention and Joint Patent Right without the other Party's consent and has no duty to account to the other Party for such use or license, and each Party hereby waives any right it may have under the laws of any country to require any such consent or accounting.

10.2 Patent Team. No later than recommendation of the R&D Plan for each Program, the Parties shall form a patent team for such Program composed of [**] each Party (the ***"Patent Team"***), with the primary objective of [**]. The Patent Team shall [**] and, if applicable, [**]. Furthermore, in the event of [**], the Patent Team shall [**] accordingly. If the Patent Team is [**]. In addition, the Patent Team for a Program shall be responsible for [**]. The Patent Team's activities with respect to [**].

10.3 Prosecution and Maintenance. For purposes of this Section 10.3, the terms "prosecution" and "maintenance" (including variations such as "prosecute" and "maintain") shall

mean, with respect to a Patent Right, the preparing, filing, prosecution, maintenance and defense of such Patent Right, in the applicable jurisdiction, as well as re-examinations, reissues and requests for patent term extensions and the like with respect to such Patent Right, together with the conduct of interferences, the defense of oppositions and other similar proceedings with respect to a Patent Right.

(a) Aurigene Patent Rights.

i. Prior to Option Exercise. On a Program-by-Program basis prior to Curis' exercise of the Option for a Program, Aurigene shall take the lead in prosecuting and maintaining the Aurigene Patent Rights (including Program Patent Rights and Joint Patent Rights) relevant to such Program, at its sole cost and expense using outside counsel reasonably acceptable to Curis, in accordance with the patent prosecution strategy recommended by the Patent Team for such Program. Aurigene and its outside patent counsel shall prepare proposed patent applications in close consultation with Curis' Patent Team representative and Curis' outside patent counsel. All patent applications and other material patent office submissions with respect to any such Patent Right will be subject to review and comment by Curis and its outside patent counsel, which comments shall be considered in good faith by Aurigene. If Aurigene plans not to make any national phase filing in any country, or to abandon any such Aurigene Patent Right in any particular country, in the Curis Territory, Aurigene will notify Curis in writing at least [**] days in advance of the due date of any payment or other action that is required to prosecute and maintain such Aurigene Patent Right in such country and, upon such notice, Curis shall have the right, but not the obligation, to assume responsibility for prosecution and maintenance of such Aurigene Patent Right in such country at its sole cost and expense. This Section 10.3(a)(i) shall cease to apply to an Aurigene Patent Right that is relevant to a Program in the event Curis' Option with respect to such Program expires unexercised or is terminated prior to exercise.

ii. After Option Exercise. On a Licensed Program-by-Licensed Program basis after Curis' exercise of the Option for a Program and during the term of such License, Curis shall have the first right, but not the obligation, to prosecute and maintain any Aurigene Patent Rights (including Program Patent Rights and Joint Patent Rights) relevant to such Licensed Program in the Curis Territory at its sole cost and expense using counsel reasonably acceptable to Aurigene, in accordance with the patent prosecution strategy recommended by the Patent Team for such Licensed Program, and subject to review and comment from Aurigene, which comments shall be considered in good faith by Curis. If Curis plans not to make any national phase filing in any country or, to abandon or cease prosecution or maintenance of any such Patent Right in any particular country, in the Curis Territory, Curis shall so notify Aurigene in writing at least [**] days in advance of the due date of any payment or other action that is required to prosecute and maintain such Patent Right in such country and, upon such notice, Aurigene shall have the right, but not the obligation, to assume responsibility for prosecution and maintenance of such Patent Right at its sole cost and expense, and if Aurigene elects to continue prosecution of such Patent Right in such country, all licenses granted to Curis under such Patent Right (or, as applicable, under Aurigene's interest in such Patent Right) in such country will be terminated.

(b) Joint Patent Rights. Except in the case of Joint Patent Rights that are subject to Section 10.3(a) (which shall be governed solely by Section 10.3(a)), Aurigene shall have the first right, but not the obligation, to prosecute and maintain Joint Patent Rights in the Aurigene Territory, at its sole cost and expense and by counsel of its own choice, and Curis shall have the first right, but not the obligation, to prosecute and maintain Joint Patent Rights in the Curis Territory, at its sole cost and expense and by counsel of its own choice, in each case in accordance with the patent prosecution strategy approved by the Patent Team for such Joint Patents. Each Party shall keep the other party reasonably informed of progress with regard to the prosecution and maintenance of Joint Patent Rights for which such Party (the ***"Responsible Party"***) is responsible, and shall consult with, and consider in good faith the requests and suggestions of, the other Party with respect to strategies for filing and prosecuting Joint Patent Rights worldwide. In the event that the Responsible Party desires not to file, or desires to abandon or cease prosecution or maintenance of, any Joint Patent Right in any country, the Responsible Party shall provide reasonable prior written notice to the other Party of such intention not to file, or to abandon or cease prosecution or maintenance (which notice shall, to the extent possible, be given no later than [**] days prior to the next deadline for any action that must be taken with respect to any such Joint Patent Right in the relevant patent office). In such case, at the other Party's sole discretion, upon written notice to the Responsible Party from the other Party, the other party may elect to continue prosecution or maintenance of any such Joint Patent Right, at its sole cost and expense and by counsel of its own choice.

10.4 Cooperation of the Parties. Each Party agrees to cooperate fully in the prosecution and maintenance of Patent Rights under Section 10.3 and in the obtaining and maintenance of any patent extensions, supplementary protection certificates and the like with respect thereto respectively at its own costs. Such cooperation includes, but is not limited to: (a) executing all papers and instruments, or requiring its employees or contractors, to execute such papers and instruments, so as to effectuate the ownership of Inventions set forth in Section 10.1, and Patent Rights claiming or disclosing such Inventions, and to enable the other Party to apply for and to prosecute patent applications in any country as permitted by Section 10.3; and (b) promptly informing the other Party of any matters coming to such Party's attention that may affect the preparation, filing, prosecution or maintenance of any such patent applications.

10.5 Infringement by Third Parties.

(a) Notice. In the event that either Aurigene or Curis becomes aware of any infringement or threatened infringement by a Third Party of any Aurigene Patent Right, Curis Patent Right or Joint Patent Right, it shall notify the other Party in writing to that effect.

(b) Aurigene Patent Rights.

i. Prior to Option Exercise. On a Program-by-Program basis prior to Curis' exercise of the Option for a Program, neither Party shall bring any action or proceeding against any Third Party for infringement of any Aurigene Patent Right (including any Program Patent Right or Joint Patent Right) relevant to such Program, without the prior written consent of the other Party. Any determination of how to proceed against such Third Party shall require mutual written agreement of the Parties. This Section 10.5(b)(i) shall cease to apply to an

Aurigene Patent Right that is relevant to a Program in the event Curis' Option with respect to such Program expires unexercised or is terminated prior to exercise.

ii. After Option Exercise. On a Licensed Program-by-Licensed Program basis after Curis' exercise of the Option for a Program, Curis shall have the first right, but not the obligation, to bring and control any action or proceeding against a Third Party for infringement of any Aurigene Patent Right (including any Program Patent Right or Joint Patent Right) relevant to such Licensed Program in the Curis Territory with respect to any infringing activity that is competitive with a Program Compound or Product, at its own expense and by counsel of its own choice, and Aurigene shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. If Curis fails to bring any such action or proceeding within (A) [**] days following its learning of alleged infringement, or (B) [**] days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, then Aurigene shall have the right to bring and control any such action, at its own expense and by counsel of its own choice, and Curis shall have the right, but not the obligation, at its own expense, to be represented in any such action by counsel of its own choice.

(c) Curis Patent Rights. On a Licensed Program-by-Licensed Program basis after Curis' exercise of the Option for a Program, Aurigene shall have the first right, but not the obligation, to bring and control any action or proceeding against a Third Party for infringement of any Curis Patent Right relevant to such Licensed Program in the Aurigene Territory with respect to any infringing activity that is competitive with a Program Compound or Product, at its own expense and by counsel of its own choice, and Curis shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. If Aurigene fails to bring any such action or proceeding within (A) [**] days following its learning of alleged infringement, or (B) [**] days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, then Curis shall have the right to bring and control any such action, at its own expense and by counsel of its own choice, and Aurigene shall have the right, but not the obligation, at its own expense, to be represented in any such action by counsel of its own choice.

(d) Joint Patent Rights. Except in the case of Joint Patent Rights that are subject to Section 10.5(b) (which shall be governed solely by Section 10.5(b)): (i) Aurigene shall have the first right, but not the obligation, to bring and control any action or proceeding with respect to infringement of Joint Patent Rights in the Aurigene Territory, at its sole cost and expense and by counsel of its own choice, and Curis shall have the right, at its own expense, to be represented in any such action by counsel of its own choice; and (ii) Curis shall have the first right, but not the obligation, to bring and control any action or proceeding with respect to infringement of Joint Patent Rights in the Curis Territory, at its sole cost and expense and by counsel of its own choice, and Aurigene shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. If the Party with the first right to bring and control any such action or proceeding fails to do so within (A) [**] days following its learning of alleged infringement, or (B) [**] days before the time limit, if any, set forth in the appropriate laws and regulations for the filing of such actions, whichever comes first, then the other Party shall have the right, but not the obligation, to bring and control any such action, at its own expense and by

counsel of its own choice, and the first Party shall have the right, at its own expense, to be represented in any such action by counsel of its own choice.

(e) Cooperation; Award. In the event a Party brings an infringement action in accordance with this Section 10.5, the other Party shall cooperate fully, including, if required to bring such action, the furnishing of a power of attorney or being named as a party. Neither Party shall enter into any settlement or compromise of any action under this Section 10.5 which would in any manner alter, diminish, or be in derogation of the other Party's rights under this Agreement without the prior written consent of such other Party, which shall not be unreasonably withheld. Except as otherwise agreed by the Parties in connection with a cost-sharing arrangement, any recovery realized by a Party as a result of any action or proceeding pursuant to this Section 10.5, whether by way of settlement or otherwise, shall be retained by the Party that brought and controlled such action for purposes of this Agreement; *provided*, *however*, that each Party shall be reimbursed for any of its litigation expenses, and any recovery realized by Curis as a result of any action pursuant to Section 10.5(b)(ii) (after reimbursement of the Parties' litigation expenses) with respect to infringing activity in the Curis Territory, shall be treated as Sublicensee Royalties in the applicable portion of the Curis Territory, and Curis shall pay Aurigene the applicable percentage of such recovery in accordance with Section 6.8, calculated assuming the time of Sublicense grant occurred on the date such recovery was received.

10.6 CREATE Act. The Parties acknowledge and agree that this Agreement is a "joint research agreement" under the CREATE Act. In the event that either Party to this Agreement intends to overcome a rejection of a claimed invention within an Aurigene Patent Right, Joint Patent Right or Curis Patent Right pursuant to the provisions of the CREATE Act, such Party shall first obtain the prior written consent of the other Party and the Parties shall work together in good faith to agree how any rejection should be overcome. To the extent that the Parties agree that, in order to overcome a rejection of a claimed invention within an Aurigene Patent Right, Joint Patent Right or Curis Patent Right pursuant to the provisions of the CREATE Act, the filing of a terminal disclaimer is required or advisable, the Parties shall first agree on terms and conditions under which the patent application subject to such terminal disclaimer and the patent or application over which such application is disclaimed shall be jointly enforced, to the extent that the Parties have not previously agreed to such terms and conditions.

10.7 Patent Term Extension.

(a) Aurigene Patent Rights. On a Licensed Program-by-Licensed Program basis after Curis' exercise of the Option for a Program, Curis shall have the right to determine the Aurigene Patent Rights (including Program Patent Rights and Joint Patent Rights) for which it will apply for patent extension in any country or region of the Curis Territory for any Product from such Licensed Program. Curis shall file for any such extension at Curis' cost and expense. Aurigene shall provide all reasonable assistance to Curis in connection with such filings, provided that Curis shall pay or reimburse any out-of-pocket costs incurred by Aurigene in providing such assistance.

(b) Curis Patent Rights. On a Licensed Program-by-Licensed Program basis after Curis' exercise of the Option for a Program, Aurigene shall have the right to determine the

Curis Patent Rights for which it will apply for patent extension in any country or region of the Aurigene Territory for any Product from such Licensed Program. Aurigene shall file for any such extension at Aurigene's cost and expense. Curis shall provide all reasonable assistance to Aurigene in connection with such filings, provided that Aurigene shall pay or reimburse any out-of-pocket costs incurred by Curis in providing such assistance.

10.8 Infringement of Third Party Rights. Each Party shall promptly notify the other in writing of any allegation by a Third Party that the activity of either Party pursuant to this Agreement infringes or may infringe the intellectual property rights of such Third Party. Neither Party shall have the right to settle any patent infringement litigation under this Section 10.8 in a manner that diminishes the rights or interests of the other Party without the written consent of such other Party (which shall not be unreasonably withheld).

11. Term and Termination

11.1 Term. The term of this Agreement (the ***"Term"***) shall begin on the Effective Date and, unless earlier terminated in accordance with this Article 11, expire upon either: (a) 90 days after expiration of the Research Term if Curis has not exercised its Option with respect to at least one Program by such time; or (b) expiration of the last-to-expire Royalty Term for any and all Products.

11.2 Termination for Material Breach.

(a) Material Breach Other Than Failure to Use Diligence. Subject to Section 11.2(c), and except in the case of a material breach covered by Section 11.2(b), each Party shall have the right, in the event of material breach of this Agreement by the other Party, to terminate this Agreement in its entirety, or to terminate this Agreement in part solely with respect to the affected Program or Licensed Program, as applicable, upon written notice to the other Party if such other Party is in material breach of this Agreement and has not cured such breach within [**] days (or [**] days with respect to any payment breach) after notice from the terminating Party requesting cure of the breach. Any such termination shall become effective at the end of such [**]-day (or [**]-day with respect to any payment breach) period unless the breaching Party has cured such breach prior to the end of such period. For clarity, in the event of any such uncured material breach affecting a particular Program or Licensed Program, such termination shall apply only to the affected Program or Licensed Program, and this Agreement shall otherwise remain in full force and effect. Notwithstanding the foregoing or Section 11.6 to the contrary, but without limiting Aurigene's rights under Section 11.2(b)(ii), after Initiation of the first Pivotal Trial of a Product for a Licensed Program, Aurigene may not terminate this Agreement pursuant to this Section 11.2(a) with respect to such Licensed Program, except in the case of uncured material payment breach by Curis with respect to such Licensed Program, but for clarity, Aurigene may pursue any and all remedies that may be available to it at law or in equity as a result of such breach by Curis. Notwithstanding the foregoing or Section 11.6 to the contrary, after Initiation of the first Pivotal Trial of a Product for a Licensed Program, Curis may not terminate this Agreement pursuant to this Section 11.2(a) with respect to the Aurigene Territory License for such Licensed Program, but for clarity, Curis may pursue any and all remedies that may be available to it at law or in equity as a result of such breach by Aurigene.

(b) Material Breach of Diligence Obligations.

i. Material Breach by Aurigene. On a Program-by-Program basis, if Curis in good faith believes that Aurigene has failed to comply with its obligations under Section 3.3 with respect to a Program or under Section 5.8(a) with respect to a Licensed Program, Curis shall notify Aurigene and, within [**] days thereafter, Curis and Aurigene will meet and confer to discuss the matter in good faith and attempt to agree upon a mutually agreeable plan to address issues related to such failure by Aurigene. Following such meeting, if either (A) the Parties do not agree upon a plan to address such failure by Aurigene within the foregoing [**]-day period, or (B) Aurigene fails to comply with its obligations under any mutually agreed upon plan to address such failure by Aurigene, then subject to Section 11.2(c) below, Curis will have the right, at its sole discretion, to terminate this Agreement as it relates to such Program or Licensed Program, as applicable.

ii. Material Breach By Curis. On a Program-by-Program basis, if Aurigene in good faith believes that Curis has failed to comply with its obligations under Section 5.8(b) with respect to a particular Licensed Program, Aurigene shall notify Curis and, within [**] days thereafter, Curis and Aurigene will meet and confer to discuss the matter in good faith and attempt to agree upon a mutually agreeable plan to address issues related to such failure by Curis. Following such meeting, if either (A) the Parties do not agree upon a plan to address such failure by Curis within the foregoing [**]-day period, or (B) Curis fails to comply with its obligations under any mutually agreed upon plan to address such failure by Curis, then subject to Section 11.2(c) below, Aurigene will have the right, at its sole discretion, to terminate this Agreement as it relates to such Licensed Program.

(c) Dispute Regarding Breach. Any right to terminate this Agreement, in its entirety or with respect to a particular Program or Licensed Program, as applicable, under this Section 11.2 shall be stayed and the cure period tolled in the event that, during any cure period, the Party alleged to have been in material breach shall have initiated dispute resolution in accordance with Article 13 with respect to the alleged breach, which stay and tolling shall continue until such dispute has been resolved in accordance with Article 13.

11.3 Alternative to Curis Termination for Aurigene Material Breach. As an alternative to terminating this Agreement in its entirety or as it relates to a particular Program or Licensed Program, as applicable, pursuant to Section 11.2(a) or Section 11.2(b)(i) for Aurigene's uncured material breach, but for clarity excluding any Licensed Program after Initiation of the first Pivotal Trial of a Product for such Licensed Program, Curis may elect:

(a) not to terminate this Agreement (in its entirety or as it relates to such Program or Licensed Program, as applicable);

(b) to retain its rights under this Agreement (in its entirety or as it relates to such Program or Licensed Program, as applicable), including, if applicable, the Option(s) and its License(s) with respect to Licensed Program(s), subject to all terms and conditions hereof, including Article 6;

(c) to terminate: (i) in the case of a Program with respect to which the Option Period has not expired, Aurigene's right to obtain the Aurigene Territory License for such Program upon Curis' exercise of the Option for such Program; or (ii) in the case of a Licensed Program, the Aurigene Territory License for such Licensed Program;

(d) to terminate Article 2, Section 5.5, and the Supply Option as to such Program or Licensed Program;

(e) to assume sole responsibility for all Development Plan activities with respect to such Program or Licensed Program (including IND-enabling studies and CMC activities); and

(f) to pursue any remedy that may be available to Curis at law or in equity as a result of Aurigene's breach, without prejudice to Curis' right to terminate this Agreement (in its entirety or as it relates to such Program or Licensed Program, as applicable) at a later date pursuant to Section 11.2(a) or Section 11.2(b)(i) (for that uncured material breach for so long as it remains uncured or any other uncured material breach of this Agreement by Aurigene) or pursuant to Section 11.4.

11.4 At-Will Termination by Curis. Curis shall have the right to terminate this Agreement in its entirety or as it relates to a particular Program or Licensed Program or on a country-by-country basis, for any reason or for no reason at any time upon 60 days' prior written notice to Aurigene.

11.5 Effect of Expiration. Upon expiration (but not on earlier termination) of this Agreement, all Licenses granted by Aurigene to Curis that were in effect immediately prior to such expiration shall survive on a non-exclusive, royalty-free, fully-paid, irrevocable, perpetual basis.

11.6 Effect of Termination.

(a) Termination Prior to Option Exercise. In the event of termination of this Agreement in its entirety prior to Curis' exercise of the Option for any Program, or termination of this Agreement as to any Program prior to exercise of the Option for such Program, then, in each case, all rights and licenses granted by each Party to the other Party with respect to such Program under this Agreement (including the Option for such Program) shall automatically terminate and revert to the granting Party.

(b) Effect of Termination on Fully-Paid Licenses. If the Royalty Term with respect to a Product for any Program in any country has expired on or before any termination of this Agreement in its entirety or as to such Program, the License with respect to such Product in such country, as well as the applicable Aurigene Territory License, shall survive such termination of this Agreement.

(c) Termination by Aurigene Pursuant to Section 11.2(a) or 11.2(b)(ii) or by Curis Pursuant to Section 11.4 After Option Exercise. Solely in the event of termination of this Agreement by Aurigene pursuant to Section 11.2(a) or Section 11.2(b)(ii), or by Curis

pursuant to Section 11.4, the following provisions of this Section 11.6(c) shall apply to any Program that was a Licensed Program immediately prior to such termination:

i. Curis' License with respect to any Licensed Program that is not a Terminated Program, either in the entire Curis Territory or in countries of the Curis Territory outside of the Terminated Region, as applicable, shall continue in full force and effect, subject to all terms and conditions hereof, including Article 6;

ii. Curis' License with respect to any Terminated Program, either in the entire Curis Territory or in the Terminated Region, as applicable, shall terminate and revert to Aurigene;

iii. Curis shall, and it hereby does, grant to Aurigene a perpetual, royalty-free license, with the right to sublicense, under Curis Technology solely to develop, make, have made, use, sell, offer for sale, have sold, import and otherwise exploit Program Compounds and Products for any Terminated Program in the Field, either in the Curis Territory or in the Terminated Region, as applicable. Such license shall be non-exclusive with respect to Curis Patent Rights and exclusive with respect to Curis Know-How. Notwithstanding the foregoing, to the extent the Curis Patent Rights for such Terminated Program include Patent Rights licensed to Curis by a Third Party that are subject to royalty or milestone payment obligations to such Third Party with respect to Program Compounds or Products for such Terminated Program, then Curis shall so notify Aurigene, together with a true, complete and correct description of such royalty and milestone payment obligations, and the inclusion of such Curis Patent Rights in the license granted to Aurigene under this Section 11.6(c)(iii) for such Terminated Program shall be subject to Aurigene's agreeing in writing to pay, and promptly paying, all royalty and milestone payments that become due to such Third Party by reason of the development, manufacture or commercialization of such Program Compounds and Products for such Terminated Program by or on behalf of Aurigene or any of its Affiliates or sublicensees in the Curis Territory or the Terminated Region, as applicable;

iv. Curis shall, and it hereby does, grant to Aurigene a right of first negotiation, exercisable within 90 days after termination, to obtain an exclusive, royalty-bearing license, with the right to sublicense, under Curis Patent Rights solely to develop, make, have made, use, sell, offer for sale, have sold, import and otherwise exploit Program Compounds and Products for any Terminated Program in the Field, either in the Curis Territory or in the Terminated Region, as applicable, upon commercially reasonable terms and conditions to be negotiated in good faith by the Parties;

v. Curis shall: (A) disclose to Aurigene as soon as reasonably practicable such Curis Technology with respect to Program Compounds and Products for such Terminated Program not previously disclosed to Aurigene as may be necessary or useful to enable Aurigene to practice the license granted under Section 11.6(c)(iii) (and, if applicable, Section 11.6(c)(iv)); (B) as promptly as reasonably practicable, transfer and assign to Aurigene all of its and its Affiliates' right, title and interest in and to all Regulatory Filings and associated correspondence with Regulatory Authorities with respect to Program Compounds and Products for such Terminated Program, either in the Curis Territory or in the Terminated Region, as applicable (or,

if Applicable Law prevents or delays the transfer of ownership of any such Regulatory Filing to Aurigene, Curis shall grant, and does hereby grant, to Aurigene an exclusive and irrevocable right of access and reference to such Regulatory Filing for Program Compounds and Products from such Terminated Program, either in the Curis Territory or in the Terminated Region, as applicable, and shall cooperate fully to make the benefits of such Regulatory Filings available to Aurigene or its designee); and (C) take such other actions and execute such other instruments, assignments and documents as may be necessary to effect the transfer of rights under this Section 11.6(c)(v) to Aurigene;

vi. any sublicense granted by Curis or its Affiliate to a Sublicensee under the License with respect to a Terminated Program in the Curis Territory or in the applicable Terminated Region (as applicable), shall survive the termination of this Agreement and become a direct license from Aurigene to such Sublicensee, provided that, in the case of termination for Curis' uncured material breach pursuant to Section 11.2(a) or Section 11.2(b)(ii), such Sublicensee did not cause such uncured material breach of this Agreement, and provided that Aurigene shall have no obligations under such sublicense beyond the obligations expressly set forth in this Agreement;

vii. Curis shall reasonably cooperate, at Aurigene's expense, with Aurigene and its designee(s) to facilitate a smooth, orderly and prompt transition of any ongoing manufacturing, development and commercialization activities with respect to Program Compounds or Products for a Terminated Program to Aurigene or its designee(s), in the Curis Territory or the applicable Terminated Region (as applicable);

viii. Aurigene shall have the right to purchase from Curis, at a purchase price equal to Curis' fully-burdened manufacturing cost (calculated in accordance with Accounting Standards, consistently applied), any or all available and usable clinical and commercial quantities of Product or Program Compound for a Terminated Program in Curis' or its Affiliates' possession or control, within [**] days after receipt of Aurigene's request, provided that if Curis retains a License to the applicable Licensed Program in any portion of the Curis Territory, Curis shall not be obligated to sell any portion of such supplies that Curis intends to use or commercialize outside the Terminated Region. Any packaging, transport, insurance and other costs for delivery of any such purchased materials to Aurigene or its designee shall be paid by Aurigene;

ix. if Product or Program Compound for a Terminated Program was being manufactured by any Third Party for Curis prior to termination or Curis had contracts with vendors prior to termination, which contracts are necessary or useful for Aurigene to take over responsibility for the Program Compounds or Products in the Curis Territory, Curis shall (A) provide Aurigene with an introduction to such Third Party contract manufacturer or vendor, (B) deliver to such contract manufacturer or vendor written authorization to contract with Aurigene for the manufacture and supply of such Product or Program Compound and to manufacture and supply such Product or Program Compound to Aurigene for the Curis Territory or the Terminated Region (as applicable) using the Curis Know-How in the possession of such contract manufacturer, or such other services as had been provided to Curis with respect to such

Product or Program Compound for the Curis Territory or Terminated Region (as applicable), and (C) if permitted by the agreements with such Third Party contract manufacturer or vendor and to the extent requested in writing by Aurigene, assign such agreements to Aurigene, or the applicable work orders, statements of work or the like under such agreements that are relevant to the applicable Product or Program Compound, or if assignment is not permitted, cooperate with Aurigene in working with the contract manufacturer or vendor to obtain the benefits of such agreements or to enter into a new agreement with the contract manufacturer or vendor. In negotiating agreements with any Third Party contract manufacturer or vendor for services with respect to Program Compounds or Products, Curis shall use commercially reasonable efforts to obtain the agreement of such contract manufacturer or vendor to permit Curis to assign such agreement, or the applicable work order(s), statement(s) of work or the like under such agreements that are relevant to the applicable Product or Program Compound, to Aurigene pursuant to this Section 11.6(c)(ix), and, if Curis does not obtain such contract manufacturer's or vendor's agreement to the foregoing, Curis shall use commercially reasonable efforts to obtain such contract manufacturer's or vendor's consent to such assignment;

x. Curis shall, and it hereby does, grant and shall cause to be granted to Aurigene a license in and to any trademarks specific to one or more Products or Program Compounds that Curis or its Affiliate or Sublicensee used with such Product(s) or Program Compound(s) for the Curis Territory or Terminated Region (as applicable). It is understood that such license shall not include the name of Curis or any of its Affiliates or Sublicensees; and

xi. The applicable Aurigene Territory License shall survive.

11.7 Return of Confidential Information. In the event of termination of this Agreement, each Party shall return (or destroy, as directed by the other Party) all data, files, records and other materials containing or comprising the other Party's Confidential Information, except to the extent such Confidential Information is necessary or useful for the practice of any License or Aurigene Territory License (as applicable) that survives such termination in accordance with Section 11.6. Notwithstanding the foregoing, each Party will be permitted to retain one copy of Confidential Information of the other Party as necessary to comply with Applicable Law and for the purpose of determining any continuing obligations hereunder.

11.8 Accrued Obligations; Survival. Neither expiration nor any termination of this Agreement shall relieve either Party of any obligation or liability accruing prior to such expiration or termination, nor shall expiration or any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, at law or in equity, with respect to breach of this Agreement. In addition, all terms and provisions of this Agreement which would reasonably be expected to survive expiration or termination shall so survive, including the Parties' rights and obligations under Sections 4.12, 7.4, 7.5, 8.1, 8.2, 8.4, 8.6, 9.3, 9.4, 10.1, 10.3(b), 10.5(d), 10.6, 11.5, 11.6, 11.7, 11.8 and 11.9 and Articles 12, 13 and 14 of this Agreement shall survive expiration or any termination of this Agreement.

11.9 Damages; Relief. Termination of this Agreement shall not preclude either Party from claiming any other damages, compensation or relief that it may be entitled to hereunder.

12. Indemnification

12.1 Indemnification by Curis. Curis hereby agrees to save, defend, indemnify and hold harmless Aurigene, its Affiliates, its and their respective officers, directors, agents, employees, successors and assigns (the ***"Aurigene Indemnitees"***), from and against any and all losses, damages, liabilities, expenses and costs, including reasonable legal expense and attorneys' fees (***"Losses"***), to which any Aurigene Indemnitee may become subject as a result of any claim, demand, action or other proceeding by any Third Party (each, a ***"Claim"***) to the extent such Losses arise out of or relate to (a) the development, manufacture, use, handling, storage, sale, offer for sale, import or other disposition by or on behalf of Curis or any of its Affiliates or Sublicensees of any Program Compound or Product in or for the Curis Territory, (b) the gross negligence or willful misconduct of any Curis Indemnitee (defined below), or (c) the breach by Curis of any warranty, representation, covenant or agreement made by Curis in this Agreement; except, in each case, to the extent such Losses result from the gross negligence or willful misconduct of any Aurigene Indemnitee or the breach by Aurigene of any warranty, representation, covenant or agreement made by Aurigene in this Agreement.

12.2 Indemnification by Aurigene. Aurigene hereby agrees to save, defend, indemnify and hold harmless Curis, its Affiliates and their respective officers, directors, employees, consultants and agents (the ***"Curis Indemnitees"***) from and against any and all Losses to which any Curis Indemnitee may become subject as a result of any claim, demand, action or other proceeding by any Third Party to the extent such Losses arise out of or relate to (a) the development, manufacture, use, handling, storage, sale, offer for sale, import or other disposition by or on behalf of Aurigene or any of its Affiliates, licensees or sublicensees of any Program Compound or Product in or for the Aurigene Territory, other than such activities pursuant to a Development Plan, (b) the gross negligence or willful misconduct of any Aurigene Indemnitee, or (c) the breach by Aurigene of any warranty, representation, covenant or agreement made by Aurigene in this Agreement; except, in each case, to the extent such Losses result from the gross negligence or willful misconduct of any Curis Indemnitee or the breach by Curis of any warranty, representation, covenant or agreement made by Curis in this Agreement.

12.3 Control of Defense. In the event a Party (the ***"Indemnified Party"***) seeks indemnification under Section 12.1 or Section 12.2, it shall inform the other Party (the ***"Indemnifying Party"***) of a Claim as soon as reasonably practicable after it receives notice of the Claim (it being understood and agreed, however, that the failure by an Indemnified Party to give notice of a claim as provided in this Section 12.3 shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement except and only to the extent that such Indemnifying Party is actually damaged as a result of such failure to give notice), shall permit the Indemnifying Party to assume direction and control of the defense of the Claim (including the right to settle the Claim solely for monetary consideration) using counsel reasonably satisfactory to the Indemnified Party, and shall cooperate as requested (at the expense of the Indemnifying Party) in the defense of the Claim. If the Indemnifying Party does not assume control of such defense within [**] days after receiving notice of the Claim from the Indemnified Party, the Indemnified Party shall control such defense and, without limiting the Indemnifying Party's indemnification obligations, the Indemnifying Party shall reimburse the Indemnified Party for all

costs, including reasonable attorney fees, incurred by the Indemnified Party in defending itself within [**] days after receipt of any invoice therefor from the Indemnified Party. The Party not controlling such defense may participate therein at its own expense. The Party controlling such defense shall keep the other Party advised of the status of such action, suit, proceeding or claim and the defense thereof and shall consider recommendations made by the other Party with respect thereto. The Indemnified Party shall not agree to any settlement of such action, suit, proceeding or claim without the prior written consent of the Indemnifying Party, which shall not be unreasonably withheld, delayed or conditioned. The Indemnifying Party shall not agree to any settlement of such action, suit, proceeding or 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, that imposes any liability or obligation on the Indemnified Party or that acknowledges fault by the Indemnified Party without the prior written consent of the Indemnified Party.

13. Dispute Resolution

13.1 Disputes. Subject to Section 13.3, any claim, dispute, or controversy as to the breach, enforcement, interpretation or validity of this Agreement (each, a ***"Dispute"***) will be referred to the Executives for attempted resolution. In the event such Executives are unable to resolve such Dispute within [**] days of such Dispute being referred to them, then, upon the written request of either Party to the other Party, the Dispute shall be subject to arbitration in accordance with Section 13.2, except as expressly set forth in Section 13.3.

13.2 Arbitration.

(a) Claims. Subject to Section 13.3 below, any Dispute that is not resolved under Section 13.1 within the applicable [**]-day period shall be resolved by final and binding arbitration administered by the International Centre for Dispute Resolution (the ***"Administrator"***) in accordance with its then-effective International Dispute Resolution Procedures (the ***"Rules"***), except to the extent any such Rule conflicts with the express provisions of this Section 13.2. (Capitalized terms used but not otherwise defined in this Agreement shall have the meanings provided in the Rules.) The Arbitration shall be conducted by one neutral arbitrator selected in accordance with the Rules, provided that such individual shall not be a current or former employee or director, or a current stockholder, of either Party or any of their respective Affiliates (or any licensee or sublicensee of the rights granted to such Party under this Agreement) and shall have at least 15 years of pharmaceutical industry experience. The arbitration and all associated discovery proceedings and communications shall be conducted in English, and the arbitration shall be held in New York, New York, USA if Aurigene requests the arbitration and in Singapore if Curis requests the arbitration.

(b) Discovery. Within [**] days after selection of the Arbitrator, the Arbitrator shall conduct the Preliminary Conference. In addressing any of the subjects within the scope of the Preliminary Conference, the Arbitrator shall take into account both the desirability of making discovery efficient and cost-effective and the needs of the Parties for an understanding of any legitimate issue raised in the Arbitration. In addition, each Party shall have the right to take up to 40 hours of deposition testimony, including expert deposition testimony.

(c) Hearing; Decision. The Hearing shall commence within [**] days after the selection of the Arbitrator. The Arbitrator shall require that each Party submit concise written statements of position and shall permit the submission of rebuttal statements, subject to reasonable limitations on the length of such statements to be established by the Arbitrator. The Hearing shall be no longer than five business days in duration. The Arbitrator shall also permit the submission of expert reports. The Arbitrator shall render the Award within [**] days after the Arbitrator declares the Hearing closed, and the Award shall include a written statement describing the essential findings and conclusions on which the Award is based, including the calculation of any damages awarded. The Arbitrator will, in rendering his or her decision, apply the substantive law of the State of New York, USA, excluding its conflicts of laws principles with the exception of sections 5-1401 and 5-1402 of New York General Obligations Law. The Arbitrator's authority to award special, incidental, consequential or punitive damages shall be subject to the limitation set forth in Section 9.4. The Award rendered by the Arbitrator shall be final, binding and non-appealable, and judgment may be entered upon it in any court of competent jurisdiction.

(d) Costs. Each Party shall bear its own attorney's fees, costs, and disbursements arising out of the arbitration, and shall pay an equal share of the fees and costs of the arbitrator; *provided, however,* the Arbitrator shall be authorized to determine whether a Party is the prevailing party, and if so, to award to that prevailing party reimbursement for any or all of its reasonable attorneys' fees, costs and disbursements (including, for example, expert witness fees and expenses, photocopy charges, travel expenses, *etc.*), or the fees and costs of the Administrator and the Arbitrator.

13.3 Court Actions. Nothing contained in this Agreement shall deny either Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a *bona fide* emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding any ongoing discussions between the Parties or any ongoing arbitration proceeding. In addition, either Party may bring an action in any court of competent jurisdiction to resolve disputes pertaining to the validity, construction, scope, enforceability, infringement or other violations of Patent Rights or other intellectual property rights, and no such claim shall be subject to arbitration pursuant to Section 13.2.

14. Miscellaneous

14.1 Rights Upon Bankruptcy. All rights and licenses granted under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of Title 11 of the United States Code and other similar laws in any jurisdiction outside the US (collectively, the ***"Bankruptcy Laws"***), licenses of rights to be "intellectual property" as defined under the Bankruptcy Laws. If a case is commenced during the Term by or against a Party under Bankruptcy Laws then, unless and until this Agreement is rejected as provided in such Bankruptcy Laws, such Party (in any capacity, including debtor-in-possession) and its successors and assigns (including a trustee) shall perform all of the obligations provided in this Agreement to be performed by such Party. If a case is commenced during the Term by or against a Party under the Bankruptcy Laws, this Agreement is rejected as provided in the Bankruptcy Laws and

the other Party elects to retain its rights hereunder as provided in the Bankruptcy Laws, then the Party subject to such case under the Bankruptcy Laws (in any capacity, including debtor-in-possession) and its successors and assigns (including a Title 11 trustee), shall provide to the other Party copies of all Information necessary for such other Party to prosecute, maintain and enjoy its rights under the terms of this Agreement promptly upon such other Party's written request therefor. All rights, powers and remedies of the non-bankrupt Party as provided herein are in addition to and not in substitution for any and all other rights, powers and remedies now or hereafter existing at law or in equity (including the Bankruptcy Laws) in the event of the commencement of a case by or against a Party under the Bankruptcy Laws.

14.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, USA, excluding its conflicts of laws principles with the exception of sections 5-1401 and 5-1402 of New York General Obligations Law.

14.3 Entire Agreement; Amendments. This Agreement (including the Exhibits hereto) is both a final expression of the Parties' agreement and a complete and exclusive statement with respect to all of its terms. This Agreement supersedes all prior and contemporaneous agreements and communications, whether oral, written or otherwise, concerning any and all matters contained herein, including the Mutual CDA and the Supplemental CDA. The Exhibits to this Agreement are incorporated herein by reference and shall be deemed a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of both Parties hereto.

14.4 Non-Waiver. The failure of a Party to insist upon strict performance of any provision of this Agreement or to exercise any right arising out of this Agreement shall neither impair that provision or right nor constitute a waiver of that provision or right, in whole or in part, in that instance or in any other instance. Any waiver by a Party of a particular provision or right shall be in writing, shall be as to a particular matter and, if applicable, for a particular period of time and shall be signed by such Party.

14.5 Assignment. Except as expressly provided hereunder, neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by either Party 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 and its rights and obligations hereunder without the other Party's consent:

(a) in connection with the transfer or sale of all or substantially all of the business of such Party to which this Agreement relates to a Third Party (***"Third Party Acquirer"***), whether by merger, sale of stock, sale of assets or otherwise (each, a ***"Sale Transaction"***), provided that in the event of a Sale Transaction (whether this Agreement is actually assigned or is assumed by the Third Party Acquirer or the surviving corporation resulting from such Sale Transaction by operation of law (*e.g.*, in the context of a reverse triangular merger)), intellectual property rights of the Third Party Acquirer that existed prior to the Sale Transaction shall not be included in the technology licensed hereunder or otherwise subject to this Agreement; or

(b) to an Affiliate, provided that the assigning Party shall remain liable and responsible to the non-assigning Party hereto for the performance and observance of all such duties and obligations by such Affiliate.

The rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties, and the name of a Party appearing herein will be deemed to include the name of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this section. Any assignment not in accordance with this Agreement shall be void.

14.6 Force Majeure. Each Party shall be excused from liability for the failure or delay in performance of any obligation under this Agreement by reason of any event beyond such Party's reasonable control, including but not limited to Acts of God, fire, flood, explosion, earthquake, or other natural forces, war, civil unrest, acts of terrorism, accident, destruction or other casualty, any lack or failure of transportation facilities, any lack or failure of supply of raw materials, any strike or labor disturbance, or any other event similar to those enumerated above. Such excuse from liability shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and provided that the Party has not caused such event(s) to occur. The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practical, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances.

14.7 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

14.8 Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or express courier), sent by internationally-recognized express courier or sent by mail, postage prepaid, addressed as follows:

If to Aurigene, to: Aurigene Discovery Technologies Limited
39-40, KIADB Industrial Area
Phase II, Electronic City Hosur Road
Bangalore - 560100 Karnataka
India
Attn: CSN Murthy, Chief Executive Officer
Facsimile No.: (91) 80 2852 6285

with a copy to: Duane Morris LLP
750 B Street, Suite 2900
San Diego, CA 92101-4681
USA
Attn: David A. Charapp
Facsimile No.: +1 (619) 744-2251

If to Curis, to: Curis, Inc.
4 Maguire Road
Lexington, MA 02421-3112
USA
Attn: Chief Executive Officer
Facsimile No.: +1 (617) 354-2407

with a copy to: Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121-1909
USA
Attn: Jane K. Adams
Facsimile No.: +1 (858) 550-6240

or to such other address(es) 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 shall be deemed to have been given: (a) when delivered, if personally delivered or sent by facsimile 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 after dispatch, if sent by internationally-recognized express courier; or (c) on the fifth (5th) business day following the date of mailing, if sent by mail.

14.9 Interpretation. The headings of clauses contained in this Agreement preceding the text of the sections, subsections and paragraphs hereof are inserted solely for convenience and ease of reference only and shall not constitute any part of this Agreement, or have any effect on its interpretation or construction. All references in this Agreement to the singular shall include the plural where applicable. The term “including” or “includes” as used in this Agreement means including, without limiting the generality of any description preceding such term, and the word “or” has the inclusive meaning represented by the phrase “and/or.” Unless otherwise specified, references in this Agreement to any section shall include all subsections and paragraphs in such Section and references in this Agreement to any subsection shall include all paragraphs in such subsection. All references to days in this Agreement shall mean calendar days, unless otherwise specified. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against either Party, irrespective of which Party may be deemed to have caused the ambiguity or uncertainty to exist. This Agreement has been prepared in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral or other communications between the Parties regarding this Agreement shall be in the English language.

14.10 Relationship between the Parties. The Parties' relationship, as established by this Agreement, is solely that of independent contractors. This Agreement does not create any partnership, joint venture or similar business relationship between the Parties. Neither Party is a legal representative of the other Party, and neither Party may assume or create any obligation, representation, warranty or guarantee, express or implied, on behalf of the other Party for any purpose whatsoever.

14.11 No Third Party Rights. The provisions of this Agreement are for the exclusive benefit of the Parties, and no other person or entity shall have any right or claim against any Party by reason of these provisions or be entitled to enforce any of these provisions against any Party.

14.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument. This Agreement may be executed by facsimile or PDF signatures, which signatures shall have the same force and effect as original signatures.

[*Signature page follows.*]

In Witness Whereof, the parties hereto have duly executed this Collaboration, Option and License Agreement as of the Effective Date.

Aurigene Discovery Technologies Limited

By:/s/ CSN Murthy

Name: CSN Murthy

Title: CEO

Curis, Inc.

By:/s/ Ali Fattaey

Name: Ali Fattaey

Title: President & CEO

Exhibit Index:

Exhibit A: Press Release

Exhibit 10.38

FINAL

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

FIRST AMENDMENT TO
COLLABORATION, LICENSE AND OPTION AGREEMENT

This First Amendment to Collaboration, License and Option Agreement (the ***"Amendment"***) is entered into as of September 7, 2016 (the ***"Amendment Date"***), by and between **Aurigene Discovery Technologies Limited**, a company organized under the laws of India, having an address of 39-40, KIADB Industrial Area, Phase II, Electronic City Hosur Road, Bangalore - 560100 Karnataka, India (***"Aurigene"***), and **Curis, Inc.**, a corporation organized under the laws of Delaware, USA, having an address of 4 Maguire Road, Lexington, Massachusetts 02421-3112, USA (***"Curis"***).

Recitals

Whereas, Aurigene and Curis are parties to that certain Collaboration, License and Option Agreement dated January 18, 2015, as amended by that certain letter agreement dated November 4, 2015 (the ***"Agreement"***);

Whereas, concurrently with the execution of this Amendment, and subject to the terms and conditions of a Stock Purchase Agreement dated as of the Amendment Date (the ***"Second Stock Purchase Agreement"***), Curis is issuing the "Initial Shares" (as such term is defined in the Second Stock Purchase Agreement) to Aurigene; and

Whereas, the Parties now wish to amend the Agreement to, among other things: (i) provide for the issuance to Aurigene of additional shares of common stock of Curis; (ii) provide for the waiver by Aurigene of certain milestone and other payments under the Agreement; (iii) modify the conditions under which the option to extend the exclusivity of the Parties' collaboration for the Additional Exclusivity Periods may be exercised; (iv) agree upon additional terms applicable to selection of the Program Target Profile for PTP4; and (v) if Curis exercises the Option for PTP3 and/or PTP4, provide for the funding of additional research, development and/or manufacturing funding for the Licensed Programs for PTP3 and/or PTP4; in each case, on the terms and subject to the conditions set forth herein.

Agreement

Now, Therefore, in consideration of the foregoing premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Aurigene and Curis agree as follows:

1. **Defined Terms.** Capitalized terms used but not otherwise defined in this Amendment shall have the meanings provided in the Agreement, except that the terms "Initial Shares" and

"Top-Up Shares" shall have the respective meanings provided in the Second Stock Purchase Agreement.

2. Issuance of Curis Common Stock. On the Amendment Date, and subject to the terms and conditions set forth in the Second Stock Purchase Agreement, Curis shall issue to Aurigene the Initial Shares. For the avoidance of doubt, the Parties hereby agree that, for purposes of Section 6.6(d) of the Agreement, the Initial Shares and any Top-up Shares purchased by Aurigene (in each case, as adjusted for stock splits, stock dividends, combinations, recapitalizations, redemptions, reverse stock splits, share buybacks and the like) shall be excluded from both the numerator and the denominator of the fraction described in the definition of Current POI. Section 7.3(b) of the Agreement shall apply with respect to the issuance of the Initial Shares and any Top-Up Shares as if such section was set forth in full in this Amendment.

3. Payment Waivers. As of the Amendment Date, and subject to the consummation of the issuance of the Initial Shares to Aurigene in accordance with the Second Stock Purchase Agreement, Aurigene hereby waives payment of the following amounts under the Agreement totaling $24,500,000 (the ***"Aggregate Waiver Amount"***):

(a) the first 12-month period of Extended Exclusivity Fees under Section 6.2(b) for each of Licensed Program 1 and Licensed Program 2 to the extent Curis elects to extend the exclusivity of the Parties' collaboration contemplated by Sections 4.7(b) and 4.8(b) of the Agreement;

(b) the R&D Program selection milestone payment for PTP4 under Section 6.3 of the Agreement;

(c) 50% of the Option exercise fee for Licensed Program 3 (but only if Licensed Program 3 is either PTP3 or PTP4) under Section 6.5(a) of the Agreement;

(d) the Option exercise fee for Licensed Program 4 (but only if Licensed Program 4 is either PTP3 or PTP4) under Section 6.5(a) of the Agreement; or

(e) the Acceptance for Filing of first IND milestone payment under Section 6.6(a) of the Agreement, but only with respect to Licensed Program 1 (the IRAK4 program);

(f) the Initiation of first Phase 1 Trial milestone payment under Section 6.6(a) of the Agreement, but only with respect to Licensed Program 1 (the IRAK4 program) and Licensed Program 2 (the PD-1/VISTA program); and

(g) the Acceptance for Filing of first IND milestone payment under Section 6.6(b) of the Agreement, but only with respect to PTP3 (the PD-1/Tim3 program) and PTP4 (*i.e.*, to the extent PTP3 or PTP4 constitutes Licensed Program 3 or Licensed Program 4 (in either order)).

To the extent any of the milestone or other payments set forth in paragraphs 3(a) through 3(g) above in this Amendment would not otherwise be payable by Curis, *e.g.* in the event one or more of the listed milestone events do not occur (the aggregate amount of such nonpayable payment(s), collectively, the ***"Unused Waiver Amount"***), Curis shall have the right to deduct the Unused Waiver Amount from any one or more of the milestone payment obligations under Sections 6.6(a), 6.6(b) or 6.6(c) of the Agreement for the following milestone events until the Unused Waiver Amount has been fully utilized: (i) "First time cumulative Net Sales of a Product throughout the Curis Territory equal or exceed $[**]"; and (ii) "First time cumulative Net Sales of a Product throughout the Curis Territory equal or exceed $[**]".

4. Collaboration Exclusivity.

(a) First Additional Exclusivity Period. Curis and Aurigene hereby agree that if Curis elects to extend the exclusivity of the Parties' collaboration contemplated by Section 4.7(a) (***"Collaboration Exclusivity"***) for the first Additional Exclusivity Period, then notwithstanding Section 4.8(a) or Section 6.2(a) of the Agreement or any other provision of the Agreement to the contrary, the Exclusivity Option Fee for the first Additional Exclusivity Period under Section 6.2(a)(i) of the Agreement shall be payable on the following schedule:

i. 50% of such Exclusivity Option Fee (*i.e.*, $3,750,000) shall be payable no later than the expiration of the Initial Exclusivity Period. The payment of this amount shall result in a first Additional Exclusivity Period extending to September 30, 2017; and

ii. the remaining 50% of such Exclusivity Option Fee (*i.e.*, $3,750,000) shall be payable on or before the earlier of (x) September 30, 2017, and (y) 10 days after the closing of the Next Curis Financing. For purposes hereof, ***"Next Curis Financing"*** shall mean a financing or series of related financings (including without limitation in which Curis receives consideration in stages or at multiple closings or in separate stand-alone financings that occur that contain substantially similar terms) entered into by Curis primarily for financing/capital raising purposes, in which the Company issues and sells shares of its Common Stock or Preferred Stock or any securities conferring the right to purchase, or exercisable or exchangeable for (with or without additional consideration), its Common Stock or Preferred Stock, to any third party, whether in an underwritten public offering or otherwise. Payment of the remaining 50% of such Exclusivity Option Fee shall result in continuation of the first Additional Exclusivity Period for its full 12-month duration.

(b) Additional Exclusivity Periods. Notwithstanding the provisions of Sections 4.8(a) and 6.2(a) of the Agreement to the contrary, and subject to the provisions of Section 14.5 of the Agreement, in the event of a Change in Control (as defined below) of Curis during the Exclusivity Period, then, following such Change in Control, the extension of Collaboration Exclusivity for any Additional Exclusivity Period shall be subject to the mutual written agreement of Aurigene and Curis (or its successor); *provided, however,* that if, prior to the consummation of such Change in Control:

i. Curis paid the initial installment of the Exclusivity Option Fee for the first Additional Exclusivity Period as specified in paragraph 4(a)(i) of this Amendment, then the first

Additional Exclusivity Period shall continue in full force and effect following consummation of such Change in Control until September 30, 2017 (*i.e.*, without any requirement that Aurigene and Curis (or its successor) reach mutual written agreement with respect to such period); and

ii. Curis paid both the first and second installments of the Exclusivity Option Fee for the first Additional Exclusivity Period as specified in paragraphs 4(a)(i) and 4(a)(ii), respectively, of this Amendment, then the first Additional Exclusivity Period shall continue in full force and effect following consummation of such Change in Control until expiration of the full 12-month first Additional Exclusivity Period (*i.e.*, without any requirement that Aurigene and Curis (or its successor) reach mutual written agreement with respect to such period); and

iii. Curis elected to extend Collaboration Exclusivity for any subsequent Additional Exclusivity Period and paid the corresponding Exclusivity Option Fee to Aurigene as specified in Section 6.2(a), then such Additional Exclusivity Period shall continue in full force and effect in accordance with the terms of the Agreement following consummation of such Change in Control (*i.e.*, without any requirement that Aurigene and Curis (or its successor) reach mutual written agreement with respect to such Additional Exclusivity Period).

iv. For purposes of this paragraph 4(b), a ***"Change in Control"*** of Curis shall be deemed to have occurred upon the happening of any of the following events:

1. any "person" or "group" within the meaning of Section 13(d) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended (the ***"Exchange Act"***), becomes, is discovered to be, or files a report on Schedule 13D or 14D-1 (or any successor schedule, form or report) disclosing that such person is, a beneficial owner (as defined in Rule 13d-3 under the Exchange Act or any successor rule or regulation) of securities of Curis representing more than 50% of the total voting power of the Curis' then outstanding shares; *but excluding* any such acquisition of securities by (w) Aurigene or any of its Affiliates, (x) any employee benefit plan or related trust sponsored or maintained by Curis, (y) any "person" or "group" that acquires such securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for Curis through the issuance of equity securities, or (z) any financial investor that acquires such securities through purchases on the open market;

2. individuals who are members of the Board of Directors of Curis as of the Amendment Date (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board of Directors of Curis; *provided, however,* that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this paragraph 4(b), be considered a member of the Incumbent Board;

3. Curis is merged, consolidated or reorganized into or with a Third Party or securities of Curis are exchanged for securities of a Third Party, unless the stockholders of Curis immediately prior to such merger, consolidation, reorganization or exchange continue to hold at least a majority of the combined voting power of the surviving entity (or, if the surviving entity is a wholly-owned subsidiary, its parent) immediately after such consolidation, merger, reorganization or exchange; or

4. a Sale Transaction with respect to Curis.

5. PTP4 Selection. Curis agrees to select PTP4 on or before expiration of the Initial Exclusivity Period. For clarity, (a) the Parties hereby agree that the Program Target Profile for PTP4 shall be within the Immuno-oncology area, (b) Curis' selection of PTP4 shall be in accordance with the processes set forth in Section 3.1(b)(i) or Section 3.1(b)(ii) of the Agreement, as applicable, and (c) nothing in this paragraph 5 shall limit Aurigene's obligations or Curis' rights under Section 3.1(c) of the Agreement or modify the exclusivity provisions set forth in the Agreement, including Sections 4.7, 4.8, 4.9 and 4.10.

6. PTP3 and PTP4 Research Funding.

(a) PTP3. Subject to, and only after, the closing of the Next Curis Financing, and subject to Curis' exercise (if any) of the Option for PTP3, Curis shall pay up to an aggregate of $2,000,000 for Supplemental PTP3 Activities (defined below), if performed by or on behalf of Aurigene. For clarity, Curis shall not be obligated to pay any amounts under this paragraph 6(a) unless and until the later of (x) the closing of the Next Curis Financing and (y) the date such Supplemental PTP3 Activities are actually performed and Aurigene has delivered to Curis an invoice for such Supplemental PTP3 Activities. ***"Supplemental PTP3 Activities"*** shall mean specific research, development and/or manufacturing activities with respect to Program Compounds within the Licensed Program for PTP3 to be recommended by the SOC, and subject to (i) each Party's final approval of the aspects of such activities that are within such Party's final decision-making authority pursuant to Sections 2.6(a) and 2.6(b) of the Agreement and (ii) the execution by the Parties of a written supplemental development plan, including a budget of costs for each such activity, on mutually acceptable terms. Notwithstanding the foregoing, subject to Curis' payment when due of the milestone payment for Acceptance for Filing of the first IND for a Product from the Licensed Program for PTP3, the Supplemental PTP3 Activities specifically exclude Aurigene's Development Plan responsibilities and Phase 1 Trial supply obligations under Section 5.6 of the Agreement for such Licensed Program, the expenses of which are Aurigene's sole responsibility under Section 5.4(b) of the Agreement.

(b) PTP4. Subject to, and only after, the closing of the Next Curis Financing, and subject to Curis' exercise (if any) of the Option for PTP4, Curis shall pay up to an aggregate of $2,000,000 for Supplemental PTP4 Activities (defined below), if performed by or on behalf of Aurigene. For clarity, Curis shall not be obligated to pay any amounts under this paragraph 6(b) unless and until the later of (x) the closing of the Next Curis Financing and (y) the date such Supplemental PTP4 Activities are actually performed and Aurigene has delivered to Curis an invoice for such Supplemental PTP3 Activities. ***"Supplemental PTP4 Activities"*** shall mean specific research, development and/or manufacturing activities with respect to Program Compounds within the Licensed Program for PTP4 to be recommended by the SOC, and subject to (i) each Party's final approval of the aspects of such activities that are within such Party's final decision-making authority pursuant to Sections 2.6(a) and 2.6(b) of the Agreement and (ii) the execution by the Parties of a written supplemental development plan, including a budget of costs for each such activity, on mutually acceptable terms. Notwithstanding the foregoing, subject to Curis' payment when due of the milestone payment for Acceptance for Filing of the first IND for

a Product from the Licensed Program for PTP4, the Supplemental PTP4 Activities specifically exclude Aurigene's Development Plan responsibilities and Phase 1 Trial supply obligations under Section 5.6 of the Agreement for such Licensed Program, the expenses of which are Aurigene's sole responsibility under Section 5.4(b) of the Agreement.

7. Corrections.

(a) Correction to Section 1.5. In Section 1.5 of the Agreement, the reference to "Section 3.1(a)" is hereby corrected to read "Section 3.1(b)(i)(2)."

(b) Correction to Section 2.6(b). In Section 2.6(b) of the Agreement, the reference to "Potential PTP" is hereby corrected to read "Proposed PTP."

(c) Correction to Sections 3.3(a) and 3.5(b). In Sections 3.3(a) and 3.5(b) of the Agreement, the phrase "Lead Candidate selection" is hereby corrected to read "Program selection."

(d) Correction to Section 5.4(b). In Section 5.4(b) of the Agreement, the phrases "subject to Section 5.5" and "under Section 5.5" are hereby corrected to read "subject to Section 5.6" and "under Section 5.6," respectively.

8. Effectiveness of Agreement. Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect in accordance with its terms.

9. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument. This Amendment may be executed by facsimile or PDF signatures, which signatures shall have the same force and effect as original signatures.

10. Miscellaneous. For clarity, Section 8.5(b) and Articles 13 and 14 of the Agreement shall apply with respect to this Amendment.

[*Signature page follows.*]

In Witness Whereof, the Parties hereto have duly executed this Amendment as of the Amendment Date.

Aurigene Discovery Technologies Limited
By: /s/ CSN Murthy

Name: CSN Murthy

Title: Chief Executive Officer

Curis, Inc.
By:/s/ Ali Fattaey

Name: Ali Fattaey

Title: President

CURIS, INC.

AMENDED AND RESTATED
CODE OF BUSINESS CONDUCT AND ETHICS

Adopted: December 12, 2017

This Code of Business Conduct and Ethics (the "Code") sets forth legal and ethical standards of conduct for directors, officers and employees of Curis, Inc. (the "Company"). This Code is intended to deter wrongdoing and to promote the conduct of all Company business in accordance with high standards of integrity and in compliance with all applicable laws and regulations. Except as otherwise required by applicable local law, this Code applies to the Company and all of its subsidiaries and other business entities controlled by it worldwide.

If you have any questions regarding this Code or its application to you in any situation, you should contact your supervisor or the General Counsel or the Chairman of the Board of Directors of the Company.

Compliance with Laws, Rules and Regulations

The Company requires that all employees, officers and directors comply with all laws, rules and regulations applicable to the Company wherever it does business. You are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when you are uncertain about them.

If you become aware of the violation of any law, rule or regulation by the Company, whether by its officers, employees, directors, or any third party doing business on behalf of the Company, it is your responsibility to promptly report the matter to your supervisor or to the General Counsel or the Chairman of the Board of Directors. While it is the Company's desire to address matters internally, nothing in this Code prohibits you from reporting any illegal activity, including any violation of the securities laws, antitrust laws, environmental laws or any other federal, state or foreign law, rule or regulation, to the appropriate regulatory authority. Employees, officers and directors shall not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against an employee because he or she reports any such violation. However, if the report was made with knowledge that it was false, the Company may take appropriate disciplinary action up to and including termination. This Code should not be construed to prohibit you from engaging in concerted activity protected by the rules and regulations of the National Labor Relations Board or from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation.

Compliance with Company Policies

Every employee, officer and director is expected to comply with all Company policies and rules as may be in effect from time to time. You are expected to familiarize yourself with such policies**.**

Conflicts of Interest

Employees, officers, and directors must refrain from engaging in any activity or having a personal interest that presents a "conflict of interest" and should seek to avoid even the appearance of a conflict of interest. A conflict of interest occurs when your personal interest interferes with the business interests of the Company. A conflict of interest can arise whenever you, as an officer, director or employee, take action or have an interest that prevents you from performing your Company duties and responsibilities honestly, objectively and effectively.

For example:

- No employee, officer or director shall perform services as a consultant, employee, officer, director, advisor or in any other capacity for, or have a financial interest in, a direct competitor of the Company, other than services performed at the request of the Company and other than a financial interest representing less than one percent (1%) of the outstanding shares of a publicly-held company; and

- No employee, officer or director shall use his or her position with the Company to influence a transaction with a supplier or customer in which such person has any personal interest, other than a financial interest representing less than one percent (1%) of the outstanding shares of a publicly-held company.

It is your responsibility as an employee, officer or director to disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest to the General Counsel or to the Chairman of the Board of Directors, who shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest. Executive officers and directors shall disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest to the Board of Directors, who shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest.

Insider Trading

Employees, officers and directors who have material non-public information about the Company or other companies, including our suppliers and customers, as a result of their relationship with the Company are prohibited by law and Company policy from trading in securities of the Company or such other companies, as well as from communicating such information to others who might trade on the basis of that information. To help ensure that you do not engage in prohibited insider trading and avoid even the appearance of an improper transaction,

the Company has adopted an Insider Trading Policy, which is available in the "Curis Policies" section of the Company's Intranet (http://webint).

If you are uncertain about the constraints on your purchase or sale of any Company securities or the securities of any other company that you are familiar with by virtue of your relationship with the Company, you should consult with the General Counsel before making any such purchase or sale.

Confidentiality

All information and know-how, whether or not in writing, of a private, secret or confidential nature concerning the Company's business or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of the Company. By way of illustration, but not limitation, Proprietary Information may include discoveries, inventions, product candidates, products, product improvements, product enhancements, processes, methods, techniques, formulas, compositions, compounds, negotiation strategies and positions, projects, developments, plans (including business and marketing plans), research data, clinical data, financial data, computer programs (including software used pursuant to a license agreement), customer, vendor, and supplier lists, and contacts at or knowledge of customers or vendors of the Company.

Employees, officers and directors must maintain the confidentiality of Proprietary Information entrusted to them by the Company or other companies, including our suppliers and customers, except when disclosure is authorized by a supervisor or legally permitted in connection with reporting illegal activity to the appropriate regulatory authority. Unauthorized disclosure of any Proprietary Information is prohibited. Additionally, employees should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to the Company or another company, is not communicated within the Company except to employees who have a need to know such information to perform their responsibilities for the Company.

Third parties may ask you for information concerning the Company. Subject to the exceptions noted in the preceding paragraph, employees, officers and directors (other than the Company's authorized spokespersons) must not discuss Proprietary Information with, or disseminate Proprietary Information to, anyone outside the Company, except as required in the performance of their Company duties and, if appropriate, after a confidentiality agreement is in place. This prohibition applies particularly to inquiries concerning the Company from the media, market professionals (such as securities analysts, institutional investors, investment advisers, brokers and dealers) and security holders. All responses to inquiries on behalf of the Company must be made only by the Company's authorized spokespersons. If you receive any inquiries of this nature, you must decline to comment and refer the inquirer to your supervisor or one of the Company's authorized spokespersons. The Company's policies with respect to public disclosure of internal matters are described more fully in the Company's Disclosure Policy, which is available in the "Curis Policies" section of the Company's Intranet (http://webint).

You also must abide by any lawful obligations that you have to your former employer. These obligations may include restrictions on the use and disclosure of Proprietary Information,

restrictions on the solicitation of former colleagues to work at the Company and non-competition obligations.

Honest and Ethical Conduct and Fair Dealing

Employees, officers and directors should endeavor to deal honestly, ethically and fairly with the Company's suppliers, customers, competitors and employees. Statements regarding the Company's products and services must not be untrue, misleading, deceptive or fraudulent. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Protection and Proper Use of Corporate Assets

Employees, officers and directors should seek to protect the Company's assets, including Proprietary Information. Theft, carelessness and waste have a direct impact on the Company's financial performance. Employees, officers and directors must use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else.

Employees, officers and directors must advance the Company's legitimate interests when the opportunity to do so arises. You must not take for yourself personal opportunities that are discovered through your position with the Company or the use of property or information of the Company.

Gifts and Gratuities

It is the Company's policy that you and members of your immediate family may not accept or give gifts if such gifts would influence or appear to influence business decisions or judgments by anyone doing business with the Company. Gifts in excess of $250 should be reviewed with the Company's General Counsel or the Chairman of the Board of Directors.

The use of Company funds or assets for gifts, gratuities or other favors to government officials is prohibited, except to the extent such gifts, gratuities or other favors are in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient. The use of Company funds or assets for gifts to any customer, supplier or other person doing or seeking to do business with the Company is prohibited, except to the extent such gifts are in compliance with the policies of both the Company and the recipient and are in compliance with applicable law.

Employees, officers and directors must not accept, or permit any member of his or her immediate family to accept, any gifts, gratuities or other favors from any customer, supplier or other person doing or seeking to do business with the Company, other than items of insignificant value. Any gifts that are not of insignificant value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition or such other disposition as the Company, in its sole discretion, believes appropriate.

Common sense and moderation should prevail in business entertainment engaged in on behalf of the Company. Employees, officers and directors should provide, or accept, business entertainment to or from anyone doing business with the Company only if the entertainment is infrequent, modest, intended to serve legitimate business goals and in compliance with applicable law.

Bribes and kickbacks are criminal acts that are strictly prohibited by law. You must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world. The Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business.

Accuracy of Books and Records and Public Reports

Employees, officers and directors must honestly and accurately report all business transactions. You are responsible for the accuracy of your records and reports. Accurate information is essential to the Company's ability to meet legal and regulatory obligations.

All Company books, records and accounts shall be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. The financial statements of the Company shall conform to generally accepted accounting rules and the Company's accounting policies. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation.

It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the Securities and Exchange Commission and in other public communications.

Concerns Regarding Accounting or Auditing Matters

Employees with concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and anonymously if they wish, submit such concerns or complaints in writing to the Company's General Counsel or the Chairman of the Board of Directors at the address listed below. See "Reporting and Compliance Procedures." All such concerns and complaints will be forwarded to the Audit Committee of the Board of Directors, unless they are determined to be without merit by the General Counsel and Chief Financial Officer of the Company. In any event, a record of all complaints and concerns received will be provided to the Audit Committee each fiscal quarter. Any such concerns or complaints may also be communicated, confidentially and, if you desire, anonymously through our toll-free hotline at (866) 388-3115 or via email at CRIS@openboard.info. For more information, please visit https://www.openboard.info/cris/index.cfm. All messages will be transcribed by a third party and sent directly to the Chairman of the Audit Committee of the Board of Directors.

The Audit Committee will evaluate the merits of any concerns or complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the concern or complaint.

The Company will not discipline, discriminate against or retaliate against any employee who reports a complaint or concern, unless it is determined that the report was made with knowledge that it was false.

Dealings with Independent Auditors

No employee, officer or director shall, directly or indirectly, make or cause to be made a materially false or misleading statement to an accountant in connection with (or omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to, an accountant in connection with) any audit, review or examination of the Company's financial statements or the preparation or filing of any document or report with the SEC. No employee, officer or director shall, directly or indirectly, take any action to coerce, manipulate, mislead or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of the Company's financial statements.

Waivers of this Code of Business Conduct and Ethics

While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be appropriate. Any employee or officer who believes that a waiver of any of these policies is appropriate in his or her case should first contact his or her immediate supervisor. If the supervisor agrees that a waiver is appropriate, the supervisor shall discuss the matter with the General Counsel and the General Counsel shall notify the Chairman of the Board of Directors. The approval of the Board of Directors must be obtained for any waiver of this Code. The General Counsel shall be responsible for maintaining a record of all requests by employees or officers for waivers of any of these policies and the disposition of such requests.

Any executive officer or director who seeks a waiver of any of these policies should contact the General Counsel. Any waiver of this Code for executive officers or directors or any change to this Code that applies to executive officers or directors may be made only by the Board of Directors of the Company and will be disclosed as required by law or NASDAQ regulation.

Reporting and Compliance Procedures

Every employee, officer and director has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with this Code to his or her supervisor or to the General Counsel, as described below. Any employee, officer or director who knows or believes that any other employee or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable law or this Code should report such information to his or her supervisor or to the General Counsel or the Chairman of the Board, as described below. You may report such conduct openly or anonymously without fear of retaliation.

The Company will not discipline, discriminate against or retaliate against any employee who reports such conduct, unless it is determined that the report was made with knowledge that it was false, or who cooperates in any investigation or inquiry regarding such conduct. Any supervisor who receives a report of a violation of this Code must immediately inform the General Counsel.

You may report violations of this Code, on a confidential or anonymous basis, by contacting the Company's General Counsel or the Chairman of the Board of Directors by mail, fax or e-mail at: Curis, Inc., 128 Spring Street, Building C – Suite 500, Lexington, MA 02421; facsimile (617) 503-6501; info@curis.com. While we prefer that you identify yourself when reporting violations so that we may follow up with you, as necessary, for additional information, you may leave messages anonymously if you wish through our toll-free hotline at (866) 388-3115 or via email at CRIS@openboard.info. For more information, please visit https://www.openboard.info/cris/index.cfm. All messages will be transcribed by a third party and sent directly to the Chairman of the Audit Committee of the Board of Directors.

If the General Counsel receives information regarding an alleged violation of this Code, he or she shall, as appropriate, (a) evaluate such information, (b) if the alleged violation involves an executive officer or a director, inform the Chief Executive Officer and Board of Directors of the alleged violation, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation and (d) report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the Chief Executive Officer and Board of Directors for action, or if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation to the Board of Directors or a committee thereof. Employees, officers and directors are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of this Code. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

The Company shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary measures to be taken against any employee who has violated this Code. In the event that the alleged violation involves an executive officer or a director, the Chief Executive Officer and the Board of Directors, respectively, shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director.

Failure to comply with the standards outlined in this Code will result in disciplinary action including, but not limited to, reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, discharge and restitution. Certain violations of this Code may require the Company to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution. Moreover, any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not immediately report it, also will be subject to disciplinary action, up to and including discharge.

Dissemination and Amendment

This Code shall be distributed to each new employee, officer and director of the Company upon commencement of his or her employment or other relationship with the Company and shall also be distributed annually to each employee, officer and director of the Company, and each employee, officer and director shall certify that he or she has received, read and understood the Code and has complied with its terms.

The Company reserves the right to amend, alter or terminate this Code at any time for any reason. The most current version of this Code can be found in the "Curis Policies" section of the Company's Intranet (http://webint).

This document is not an employment contract between the Company and any of its employees, officers or directors.

Certification

I, _____ do hereby certify that:
(Print Name Above)

1. I have received and carefully read the Code of Business Conduct and Ethics of Curis, Inc.

2. I understand the Code of Business Conduct and Ethics.

3. I have complied and will continue to comply with the terms of the Code of Business Conduct and Ethics.

4. Except as noted below, I do not know or believe that any employee or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable law or the Code of Business Conduct and Ethics.

Exceptions (describe, or state "None"):

_____

Date: _____ _____
(Signature)

EACH EMPLOYEE, OFFICER AND DIRECTOR IS REQUIRED TO SIGN, DATE AND RETURN THIS CERTIFICATION TO THE LEGAL DEPARTMENT WITHIN SEVEN (7) DAYS OF ISSUANCE. FAILURE TO DO SO MAY RESULT IN DISCIPLINARY ACTION.

SUSPECTED VIOLATIONS SHOULD BE REPORTED TO

(866) 388-3115

Any such concerns or complaints may also be communicated, confidentially and, if you desire, anonymously through our toll-free hotline at (866) 388-3115 or via email at CRIS@openboard.info. These communications will be received by the Chairman of the Audit Committee of the Board of Directors.

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

SUBSIDIARY NAME	JURISDICTION OF ORGANIZATION	DOING BUSINESS AS
Curis Securities Corporation	Massachusetts	Curis Securities Corporation
Curis Royalty LLC	Delaware	Curis Royalty LLC

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-254362, 333-251211, 333-224627, 333-214899, 333-203480, 333-108570, 333-115832, and 333-145675) and Form S-8 (Nos. 333-260278, 333-251144, 333-235499, 333-228811, 333-222259, 333-218632, 333-215453, 333-206323, 333-191074, 333-157543, 333-42596, 333-141175, 333-149720, and 333-167675) of Curis, Inc. of our report dated February 24, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 24, 2022

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT

I, James E. Dentzer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Curis, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: February 24, 2022

/s/ JAMES E. DENTZER

James Dentzer
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT

I, William Steinkrauss, certify that:

1. I have reviewed this Annual Report on Form 10-K of Curis, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: February 24, 2022

/s/ WILLIAM STEINKRAUSS

William Steinkrauss
Chief Financial Officer and Chief Administrative Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(b) OF THE EXCHANGE ACT AND 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Curis, Inc. (the "Company") for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, James Dentzer, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

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

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

Date: February 24, 2022

/s/ JAMES E. DENTZER

James Dentzer
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(b) OF THE EXCHANGE ACT AND 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Curis, Inc. (the "Company") for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, William Steinkrauss, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

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

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

Date: February 24, 2022

/s/ WILLIAM STEINKRAUSS

William Steinkrauss
Chief Financial Officer and Chief Administrative Officer
(Principal Financial Officer)