**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, DC 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended August 31, 2023**

**OR**

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

**For the transition period from to**

**Commission File Number: 001-39398**

# NURIX THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

| **Delaware** | **27-0838048** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **1700 Owens Street, Suite 205 San Francisco, CA** | **94158** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (415) 660-5320**

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

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Common Stock, par value $0.001 per share | NRIX | Nasdaq Global Market |

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

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

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

| | | | |
|---|---|---|---|
| Large accelerated filer | o | Accelerated filer | o |
| Non-accelerated filer | x | Smaller reporting company | x |
| Emerging growth company | o | | |

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. o

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

As of October 2, 2023, the Registrant had 48,503,768 shares of common stock, $0.001 par value per share, outstanding.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements concerning our business strategy and plans, future operating results and financial position, as well as our objectives and expectations for our future operations, are forward-looking statements.

In some cases, you can identify forward-looking statements by such terminology as “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect” and similar expressions that convey uncertainty of future events or outcomes, although not all forward-looking statements contain these words. Forward-looking statements include, but are not limited to, statements about:

- the timing and conduct of our clinical trial programs for our lead drug candidates NX-2127, NX-1607 and NX-5948 and other drug candidates, including statements regarding the timing of data and anticipated announcements, the selection of new development candidates and the initiation of clinical trials;
- the timing of, and our ability to obtain, marketing approvals for our lead drug candidates NX-2127, NX-1607 and NX-5948 and other drug candidates;
- our plans to pursue research and development of other drug candidates;
- the timing of investigational new drug application (IND) submissions for our drug candidates;
- the potential advantages of our DELigase platform and our drug candidates;
- the extent to which our scientific approach and DELigase platform may potentially address a broad range of diseases;
- the potential benefits of our arrangements with Gilead Sciences, Inc., Sanofi S.A. and Seagen Inc.;
- the timing of and our ability to obtain and maintain regulatory approvals for our drug candidates;
- the potential receipt of revenue from future sales of our drug candidates;
- the rate and degree of market acceptance and clinical utility of our drug candidates;
- our estimates regarding the potential market opportunity for our drug candidates;
- our sales, marketing and distribution capabilities and strategy;
- our ability to establish and maintain arrangements for the manufacturing of our drug candidates;
- the expected impact of global business, political and macroeconomic conditions, including inflation, increasing interest rates and volatile market conditions, uncertainty with respect to the federal budget and debt ceiling, cybersecurity events, instability in the global banking system, and global events, including regional conflicts around the world, on our business, clinical trials, financial condition, liquidity and results of operations;
- the potential achievement of milestones and receipt of royalty payments under our collaborations;
- our ability to enter into additional collaborations with third parties;
- our intellectual property position;
- our estimates regarding expenses, future revenues, capital requirements and needs for additional financing;
- the impact of government laws and regulations; and
- our competitive position.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, and financial needs. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of risks, uncertainties and assumptions described in the section titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. We disclaim any intention or obligation to publicly update or revise any forward-looking statements for any reason or to conform such statements to actual results or revised expectations, except as required by law.

**Risk Factors Summary**

Our business is subject to a number of risks and uncertainties, including those risks discussed at-length below. These risks include, among others, the following:

- We have incurred significant losses since our inception. We expect to incur losses over at least the next several years and may never achieve or maintain profitability.
- We have never generated revenue from product sales and may never be profitable.
- We will need substantial additional funding. If we are unable to raise capital when needed, we may be required to delay, limit, reduce or terminate our research or product development programs or future commercialization efforts.
- Current and future legislation may increase the difficulty and cost for us, and any collaborators, to obtain marketing approval of and commercialize our drug candidates and affect the prices we, or they, may obtain.
- We are early in our development efforts. Our lead drug candidates, NX-2127, NX-1607 and NX-5948, are in the early stages of clinical development. If we are unable to advance our drug candidates through clinical development, develop, obtain regulatory approval for and commercialize our drug candidates or experience significant delays in doing so, our business may be materially harmed.
- Our limited operating history may make it difficult to evaluate the success of our business to date and to assess our future viability.
- If serious adverse events, undesirable side effects or unexpected characteristics are identified during the development of any drug candidates we may develop, we may need to abandon or limit our further clinical development of those drug candidates.
- The results of preclinical studies and early-stage clinical trials may not be predictive of future results. Initial success in clinical trials may not be indicative of results obtained when these trials are completed or in later-stage trials.
- If we decide to seek Orphan Drug Designation or other designations from regulators for any of our current or future drug candidates, we may be unsuccessful or may be unable to maintain the benefits associated with these designations, including the potential for supplemental market exclusivity associated with an Orphan Drug Designation.
- If any of our drug candidates are not considered to be a new active substance or are deemed to fall within the “global marketing authorization” of an existing medicinal product or if pediatric studies are not adequately completed, this may result in lack of regulatory data protection or failure to obtain an extension to existing regulatory data protection.
- We face substantial competition in an environment of rapid technological change, which may result in others discovering, developing or commercializing products before or more successfully than we do.
- We expect to depend on collaborations with third parties for the research, development and commercialization of certain of the drug candidates we may develop. If any such collaborations are not successful, we may not be able to capitalize on the market potential of those drug candidates.
- We rely on third-party contract manufacturing organizations (CMOs) for the manufacture of both drug substance and finished drug product for our drug candidates for preclinical and clinical testing and expect to continue to do so for any future clinical trials and commercialization. This reliance on third parties may increase the risk that we will not have sufficient quantities of our drug candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.
- If we are unable to obtain and maintain patent protection for our technology, our current drug candidates and any future drug candidates that we may develop, or if the scope of the patent protection obtained is not sufficiently broad, our competitors and other third parties could develop and commercialize technology and drug candidates similar or identical to ours, and our ability to successfully commercialize our technology and drug candidates may be impaired, and we may not be able to compete effectively in our market.
- Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on our business.
- Unfavorable global economic conditions could adversely affect our business, financial condition, stock price and results of operations.

- If we fail to attract and retain management and other key personnel, we may be unable to continue to successfully develop our current and any future drug candidates, commercialize our drug candidates or otherwise implement our business plan.
- Even if we are able to commercialize any drug candidates, the products may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm our business.

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## PART I – FINANCIAL INFORMATION

**Item 1. Financial Statements**

**NURIX THERAPEUTICS, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(in thousands, except share and per share amounts)**
**(unaudited)**

| | August 31, 2023 | November 30, 2022 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 42,304 | $ 64,474 |
| Marketable securities, current | 216,548 | 244,667 |
| Accounts receivable | 2,000 | — |
| Prepaid expenses and other current assets | 7,097 | 9,308 |
| Total current assets | 267,949 | 318,449 |
| Marketable securities, non-current | 9,882 | 63,879 |
| Operating lease right-of-use assets | 9,027 | 12,345 |
| Property and equipment, net | 16,581 | 17,163 |
| Restricted cash | 901 | 901 |
| Other assets | 3,855 | 4,022 |
| Total assets | $ 308,195 | $ 416,759 |
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 2,187 | $ 5,064 |
| Accrued expenses and other current liabilities | 21,907 | 22,428 |
| Operating lease liabilities, current | 5,362 | 5,530 |
| Deferred revenue, current | 32,037 | 37,633 |
| Total current liabilities | 61,493 | 70,655 |
| Operating lease liabilities, net of current portion | 2,642 | 6,434 |
| Deferred revenue, net of current portion | 10,243 | 35,974 |
| Total liabilities | 74,378 | 113,063 |
| Commitments and contingencies (Note 6) | | |
| Stockholders' equity: | | |
| Preferred stock, $0.001 par value— 10,000,000 shares authorized as of August 31, 2023 and November 30, 2022; no shares issued and outstanding as of August 31, 2023 and November 30, 2022 | — | — |
| Common stock, $0.001 par value— 500,000,000 shares authorized as of August 31, 2023 and November 30, 2022; 48,503,768 and 47,172,299 shares issued and outstanding as of August 31, 2023 and November 30, 2022, respectively | 49 | 47 |
| Additional paid-in capital | 738,240 | 709,220 |
| Accumulated other comprehensive loss | (1,228) | (4,319) |
| Accumulated deficit | (503,244) | (401,252) |
| Total stockholders' equity | 233,817 | 303,696 |
| Total liabilities and stockholders' equity | $ 308,195 | $ 416,759 |

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

**NURIX THERAPEUTICS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(in thousands, except share and per share amounts)**
**(unaudited)**

| | Three Months Ended August 31, | | Nine Months Ended August 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue: | | | | |
| Collaboration revenue | $ 18,467 | $ 10,791 | $ 41,828 | $ 31,844 |
| License revenue | — | — | 20,000 | — |
| Total revenue | 18,467 | 10,791 | 61,828 | 31,844 |
| Operating expenses: | | | | |
| Research and development | 47,856 | 47,761 | 139,435 | 138,391 |
| General and administrative | 10,623 | 9,748 | 32,122 | 28,630 |
| Total operating expenses | 58,479 | 57,509 | 171,557 | 167,021 |
| Loss from operations | (40,012) | (46,718) | (109,729) | (135,177) |
| Interest and other income, net | 3,030 | 1,009 | 7,737 | 1,534 |
| Net loss | $ (36,982) | $ (45,709) | $ (101,992) | $ (133,643) |
| Net loss per share, basic and diluted | $ (0.68) | $ (0.90) | $ (1.88) | $ (2.85) |
| Weighted-average number of shares outstanding, basic and diluted | 54,390,859 | 50,868,542 | 54,227,491 | 46,835,776 |

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

**NURIX THERAPEUTICS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**
**(in thousands)**
**(unaudited)**

| | Three Months Ended August 31, | | Nine Months Ended August 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss | $ (36,982) | $ (45,709) | $ (101,992) | $ (133,643) |
| Other comprehensive income (loss), net of tax: | | | | |
| Unrealized gain (loss) on available-for-sale marketable securities | 675 | (657) | 3,091 | (3,134) |
| Total comprehensive loss | $ (36,307) | $ (46,366) | $ (98,901) | $ (136,777) |

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

**NURIX THERAPEUTICS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**(in thousands, except share amounts)**
**(unaudited)**

| | Common stock | | Additional paid-in capital | Accumulated other comprehensive income (loss) | Accumulated deficit | Total stockholders' equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| Balance as of November 30, 2021 | 44,664,371 | $ 45 | $ 563,757 | $ (608) | $ (220,892) | $ 342,302 |
| Exercise of stock options | 117,870 | — | 424 | — | — | 424 |
| Vesting of early exercised stock options | — | — | 47 | — | — | 47 |
| Issuance under employee stock purchase plan | 71,207 | — | 1,064 | — | — | 1,064 |
| Stock-based compensation | — | — | 6,071 | — | — | 6,071 |
| Unrealized loss on available-for-sale marketable securities | — | — | — | (1,458) | — | (1,458) |
| Net loss | — | — | — | — | (42,533) | (42,533) |
| Balance as of February 28, 2022 | 44,853,448 | 45 | 571,363 | (2,066) | (263,425) | 305,917 |
| Exercise of stock options | 173,155 | — | 432 | — | — | 432 |
| Vesting of restricted stock units | 13,465 | — | — | — | — | — |
| Vesting of early exercised stock options | — | — | 35 | — | — | 35 |
| Stock-based compensation | — | — | 6,775 | — | — | 6,775 |
| Unrealized loss on available-for-sale marketable securities | — | — | — | (1,019) | — | (1,019) |
| Net loss | — | — | — | — | (45,401) | (45,401) |
| Balance as of May 31, 2022 | 45,040,068 | 45 | 578,605 | (3,085) | (308,826) | 266,739 |
| Issuance of pre-funded warrants, net of issuance costs of $234 | — | — | 94,759 | — | — | 94,759 |
| Issuance of common stock in "at the market" financing, net of issuance costs of $672 | 2,000,000 | 2 | 19,326 | — | — | 19,328 |
| Exercise of stock options | 24,147 | — | 174 | — | — | 174 |
| Vesting of restricted stock units | 18,469 | — | — | — | — | — |
| Vesting of early exercised stock options | — | — | 32 | — | — | 32 |
| Issuance under employee stock purchase plan | 65,097 | — | 891 | — | — | 891 |
| Stock-based compensation | — | — | 6,988 | — | — | 6,988 |
| Unrealized loss on available-for-sale marketable securities | — | — | — | (657) | — | (657) |
| Net loss | — | — | — | — | (45,709) | (45,709) |
| Balance as of August 31, 2022 | 47,147,781 | $ 47 | $ 700,775 | $ (3,742) | $ (354,535) | $ 342,545 |

| | Common stock | | Additional paid-in capital | Accumulated other comprehensive income (loss) | Accumulated deficit | Total stockholders' equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| Balance as of November 30, 2022 | 47,172,299 | $ 47 | $ 709,220 | $ (4,319) | $ (401,252) | $ 303,696 |
| Exercise of stock options | 8,768 | — | 28 | — | — | 28 |
| Vesting of restricted stock units | 98,571 | — | — | — | — | — |
| Vesting of early exercised stock options | — | — | 31 | — | — | 31 |
| Issuance under employee stock purchase plan | 165,215 | — | 1,453 | — | — | 1,453 |
| Stock-based compensation | — | — | 8,505 | — | — | 8,505 |
| Unrealized gain on available-for-sale marketable securities | — | — | — | 1,072 | — | 1,072 |
| Net loss | — | — | — | — | (40,733) | (40,733) |
| Balance as of February 28, 2023 | 47,444,853 | 47 | 719,237 | (3,247) | (441,985) | 274,052 |
| Exercise of pre-funded warrants | 148,497 | 1 | — | — | — | 1 |
| Exercise of stock options | 5,597 | — | 24 | — | — | 24 |
| Vesting of restricted stock units | 32,261 | — | — | — | — | — |
| Vesting of early exercised stock options | — | — | 31 | — | — | 31 |
| Stock-based compensation | — | — | 8,746 | — | — | 8,746 |
| Unrealized gain on available-for-sale marketable securities | — | — | — | 1,344 | — | 1,344 |
| Net loss | — | — | — | — | (24,277) | (24,277) |
| Balance as of May 31, 2023 | 47,631,208 | 48 | 728,038 | (1,903) | (466,262) | 259,921 |
| Exercise of pre-funded warrants | 568,863 | 1 | — | — | — | 1 |
| Exercise of stock options | 101,219 | — | 927 | — | — | 927 |
| Vesting of restricted stock units | 100,729 | — | — | — | — | — |
| Vesting of early exercised stock options | — | — | 29 | — | — | 29 |
| Issuance under employee stock purchase plan | 101,749 | — | 776 | — | — | 776 |
| Stock-based compensation | — | — | 8,470 | — | — | 8,470 |
| Unrealized gain on available-for-sale marketable securities | — | — | — | 675 | — | 675 |
| Net loss | — | — | — | — | (36,982) | (36,982) |
| Balance as of August 31, 2023 | 48,503,768 | $ 49 | $ 738,240 | $ (1,228) | $ (503,244) | $ 233,817 |

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

**NURIX THERAPEUTICS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in thousands)**
**(unaudited)**

| | Nine Months Ended August 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Cash flows from operating activities** | | |
| Net loss | $ (101,992) | $ (133,643) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 5,599 | 3,730 |
| Stock-based compensation | 25,649 | 19,834 |
| Net amortization (accretion) of premium (discount) on marketable securities | (3,453) | 1,076 |
| Loss on disposal of property and equipment | 544 | 9 |
| Amortization of operating lease right-of-use assets | 4,298 | 4,041 |
| Other | — | 201 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (2,000) | 6,000 |
| Prepaid expenses and other assets | 2,556 | (2,250) |
| Accounts payable | (3,036) | 984 |
| Deferred revenue | (31,327) | (22,344) |
| Operating lease liabilities | (4,940) | (3,679) |
| Accrued expenses and other liabilities | 48 | 4,189 |
| Net cash used in operating activities | (108,054) | (121,852) |
| **Cash flows from investing activities** | | |
| Purchases of marketable securities | (157,941) | (212,455) |
| Maturities of marketable securities | 246,431 | 194,324 |
| Purchases of property and equipment | (5,816) | (9,679) |
| Net cash provided by (used in) investing activities | 82,674 | (27,810) |
| **Cash flows from financing activities** | | |
| Proceeds from issuances of pre-funded warrants, net of issuance costs | — | 94,942 |
| Proceeds from issuances of common stock in equity financing, net of issuance costs | — | 19,400 |
| Proceeds from exercise of stock options and pre-funded warrants | 981 | 1,030 |
| Proceeds from issuance under employee stock purchase plan | 2,229 | 1,955 |
| Net cash provided by financing activities | 3,210 | 117,327 |
| Net decrease in cash, cash equivalents and restricted cash | (22,170) | (32,335) |
| Cash, cash equivalents and restricted cash at beginning of period | 65,375 | 80,792 |
| Cash, cash equivalents and restricted cash at end of period | $ 43,205 | $ 48,457 |
| **Supplemental disclosures of non-cash investing and financing activities:** | | |
| Additions to property and equipment included in accounts payable and accrued expenses and other liabilities | $ 1,054 | $ 1,726 |
| Capitalized stock-based compensation related to internal-use software development | $ 72 | $ — |
| Vesting of early exercised stock options | $ 91 | $ 114 |
| Issuance costs related to pre-funded warrants included in accrued expenses and other liabilities | $ — | $ 183 |
| Deferred issuance costs recognized related to equity financing | $ — | $ 72 |

| | As of August 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Reconciliation of cash, cash equivalents and restricted cash:** | | |
| Cash and cash equivalents | $ 42,304 | $ 47,556 |
| Restricted cash | 901 | 901 |
| Total cash, cash equivalents and restricted cash | $ 43,205 | $ 48,457 |

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

**NURIX THERAPEUTICS, INC.**
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## 1. Organization

### *Description of Business*

Nurix Therapeutics, Inc. (the Company) was incorporated in the state of Delaware on August 27, 2009, and is headquartered in San Francisco, California. The Company is a clinical stage biopharmaceutical company focused on the discovery, development and commercialization of medicines based on the modulation of cellular protein levels as a novel treatment approach for cancer and other challenging diseases. Leveraging the Company's expertise in E3 ligases together with its proprietary DNA-encoded libraries, the Company has built DELigase, an integrated discovery platform to identify and advance novel drug candidates targeting E3 ligases, a broad class of enzymes that can modulate proteins within the cell. The Company's drug discovery approach is to either harness or inhibit the natural function of E3 ligases within the ubiquitin-proteasome system to selectively decrease or increase cellular protein levels. The Company's wholly owned, clinical stage pipeline includes targeted protein degraders of Bruton's tyrosine kinase, a B-cell signaling protein, and inhibitors of Casitas B-lineage lymphoma proto-oncogene B, an E3 ligase that regulates activation of multiple immune cell types including T cells and NK cells. The Company's partnered drug discovery pipeline consists of multiple programs under collaboration agreements with Gilead Sciences, Inc. (Gilead), Sanofi S.A. (Sanofi) and Seagen Inc. (Seagen), within which the Company retains certain options for co-development, co-commercialization and profit sharing in the United States for multiple drug candidates.

### *Equity Distribution Agreement*

In August 2021, the Company filed a shelf registration statement on Form S-3 with the Securities and Exchange Commission (SEC), which was amended in February 2023. This shelf registration statement, which includes a base prospectus, allows the Company at any time to offer and sell up to $450.0 million of the Company's registered common stock, preferred stock, debt securities, warrants, subscriptions rights and or units or any combination of securities described in the prospectus in one or more offerings. In addition, in August 2021, the Company entered into an Equity Distribution Agreement with Piper Sandler & Co. (Piper Sandler) pursuant to which, from time to time, the Company may offer and sell through Piper Sandler up to $150.0 million of the common stock registered under the shelf registration statement pursuant to one or more "at the market" offerings.

The Company is not required to sell any shares at any time during the term of the Equity Distribution Agreement. The Company agreed to pay Piper Sandler a commission of 3% of the gross sales price of any shares sold pursuant to the Equity Distribution Agreement. In June 2022, the Company issued and sold 2,000,000 shares of common stock under the Equity Distribution Agreement at a price of $10.0001 per share of common stock for net proceeds of $19.3 million, after deducting offering commissions and expenses paid by the Company. As of August 31, 2023, the Company had $130.0 million of common stock remaining available for sale under the Equity Distribution Agreement.

### *Registered Direct Offerings*

In July 2022, the Company entered into separate securities purchase agreements with certain purchasers to issue and sell pre-funded warrants to purchase an aggregate of 6,814,920 shares of the Company's common stock in registered direct offerings (RDOs) at a price of $13.939 per pre-funded warrant. Net proceeds from the RDOs were $94.8 million, after deducting offering expenses of $0.2 million. Refer to Note 7 for more information regarding the pre-funded warrants issued in the RDOs.

### *Liquidity and Management Plans*

As of August 31, 2023, the Company had cash, cash equivalents and short-term marketable securities of $258.9 million and an accumulated deficit of $503.2 million. The Company's operations have historically been financed through the issuance of common stock, redeemable convertible preferred stock and pre-funded warrants and proceeds received under the Company's collaboration and license agreements. Since inception, the Company has generally incurred significant losses and negative net cash flows from operations. The Company does not expect its existing cash, cash equivalents and marketable securities to be sufficient to fund the completion of its clinical trials through commercialization and will need substantial additional funding to support its continuing operations and pursue its long-term business plan. The Company anticipates incurring additional losses until such time, if ever, that it can generate significant sales of its drug candidates currently in development.

Management believes that its cash, cash equivalents and short-term marketable securities are sufficient to continue operating activities for at least 12 months following the issuance date of these condensed consolidated financial statements. Future capital requirements will depend on many factors, including the timing and extent of spending on research and development and payments the Company may receive under its collaboration agreements with Gilead, Sanofi and Seagen or future collaboration agreements, if any. There can be no assurance that, in the event the Company requires additional financing, such financing will be available at terms acceptable to the Company if at all. If additional capital is not available, failure to generate sufficient cash flows from operations, raise additional capital and reduce discretionary spending could have a material adverse effect on the Company's ability to achieve its intended business objectives.

## 2. Summary of Significant Accounting Policies

### *Basis of Presentation*

The Company's condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and applicable rules and regulations of the SEC regarding interim financial reporting. The Company's condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and reflect, in the opinion of management, all adjustments of a normal and recurring nature that are necessary for the fair statement of the Company's financial position as of and for the three and nine months ended August 31, 2023. The condensed consolidated balance sheet as of November 30, 2022, was derived from the audited annual financial statements as of that date. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from these interim financial statements. These interim financial statements and related disclosures have been prepared with the presumption that users of the interim financial statements have read or have access to the audited annual financial statements for the preceding fiscal year. Accordingly, these financial statements should be read in conjunction with the audited annual financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended November 30, 2022, as filed with the SEC. These interim results are not necessarily indicative of results to be expected for the full fiscal year or any future interim period. Certain prior year amounts have been reclassified for consistency with the current year cash flow presentation. The reclassification did not impact total cash flow from operating, investing or financing activities.

### *Principles of Consolidation*

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, including DeCART Therapeutics Inc, which was legally dissolved in July 2022. All intercompany balances and transactions have been eliminated in consolidation.

### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including those related to the useful lives of long-lived assets, the measurement of stock-based compensation, accruals for research and development activities, income taxes and revenue recognition. The Company bases its estimates on historical experience and on other relevant assumptions that are reasonable under the circumstances. Actual results could materially differ from those estimates. Refer to Note 3 for more information regarding the estimates related to revenue recognition.

***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash, cash equivalents and marketable securities. The Company invests its cash equivalents in highly rated money market funds. The Company's marketable securities consist of debt securities issued by highly rated corporate entities, foreign governments, the U.S. federal government or state and local governments. The Company's exposure to any individual corporate entity is limited by policy, and its ongoing cash management strategy is to maintain diversity in its deposit accounts across financial institutions; however, the Company is exposed to credit risk on deposits in the event of default by the financial institutions to the extent account balances exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Company is closely monitoring ongoing events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, including Silicon Valley Bank (SVB). As of March 27, 2023, in connection with the closure of SVB by the California Department of Financial Protection and Innovation and the FDIC, First-Citizens Bank & Trust Company assumed all of SVB's deposits and loans. Prior to SVB's closure, the Company maintained with SVB an operating account with a cash balance of less than 1% of the Company's total cash, cash equivalents and marketable securities. In light of the foregoing, the Company does not believe that it has exposure to loss as a result of SVB's receivership. During the periods presented, the Company has not experienced any realized losses on its deposits of cash, cash equivalents or marketable securities.

***Other Risks and Uncertainties***

The Company is subject to a number of risks similar to other clinical stage biopharmaceutical companies, including, but not limited to, changes in any of the following areas that the Company believes could have a material adverse effect on its future financial position or results of operations: risks related to the successful discovery and development of its drug candidates, ability to raise additional capital, development of new technological innovations by its competitors and delay or inability to obtain drug substance and finished drug product from the Company's third-party contract manufacturers necessary for the Company's drug candidates, protection of intellectual property rights, litigation or claims against the Company based on intellectual property rights and regulatory clearance and market acceptance for any of the Company's products candidates for which the Company receives marketing approval.

Moreover, the Company is subject to risks and uncertainties as a result of global business, political and macroeconomic events and conditions, including increasing financial market volatility and uncertainty, inflation, increasing interest rates, uncertainty with respect to the federal budget and debt ceiling, instability in the global banking system, cybersecurity events, the impact of war or military conflict, including regional conflicts around the world, and public health pandemics. The extent to which business, political and macroeconomic factors, including increasing financial market volatility and uncertainty, will impact the Company's business will depend on future developments that are highly uncertain and cannot be predicted at this time.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The extent to which the increasing financial market volatility and uncertainty may directly or indirectly impact the Company's financial statements is highly uncertain and subject to change.

The Company relies on single source manufacturers and suppliers for the supply of its drug candidates. Disruption from these manufacturers or suppliers would have a negative impact on the Company's business, financial position and results of operations.

***Leases***

The Company determines if an arrangement contains a lease at inception. Lease right-of-use (ROU) assets, current lease liabilities and long-term lease liabilities are recognized at the lease commencement date based on the present value of the future minimum lease payments over the lease term at the commencement date. ROU assets also include any initial direct costs incurred and any lease payments made on or before the lease commencement date, less lease incentives received. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the lease liabilities as the Company's leases generally do not provide an implicit rate. The incremental borrowing rate, the ROU asset and the lease liability are reevaluated upon a lease modification. The Company determines its incremental borrowing rate based on the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term, in an amount equal to the lease payments in a similar economic environment. Lease terms may include options to extend or terminate the lease when the Company is reasonably certain that the option will be exercised. Lease expense for operating leases is recognized on a straight-line basis over the lease term. The Company does not have any finance leases.

The Company elected to apply each of the practical expedients described in Topic 842 which allow companies (i) not to reassess prior conclusions on whether any expired or existing contracts are or contain a lease, lease classification, and initial direct costs, (ii) combine lease and non-lease components for all underlying assets groups, and (iii) not recognize ROU assets or lease liabilities for short-term leases. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

***Revenue Recognition***

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To recognize revenue from a contract with a customer, the Company performs the following five steps:

(i) identify the contract(s) with a customer;

(ii) identify the performance obligations in the contract;

(iii) determine the transaction price;

(iv) allocate the transaction price to the performance obligations in the contract; and

(v) recognize revenue when (or as) the Company satisfies a performance obligation.

At contract inception, the Company assesses the goods or services promised within each contract, whether each promised good or service is distinct, and determines those that are performance obligations. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when or as the performance obligation is satisfied.

The Company enters into collaboration agreements under which it may obtain upfront payments, milestone payments, royalty payments and other fees. Promises under these arrangements may include research licenses, research services, including selection campaign research services for certain replacement targets, the obligation to share information during the research and the participation of alliance managers and in joint research committees, joint patent committees and joint steering committees. The Company assesses these promises within the context of the agreements to determine the performance obligations.

Exclusive license rights: If a license to the Company’s intellectual property is determined to be distinct from the other promises identified in the arrangement, the Company recognizes revenue from nonrefundable, upfront payments allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license and the underlying intellectual property. If the license is the predominant promise, and it is determined that the license represents functional intellectual property, revenue is recognized at the point in time when control of the license is transferred. If it is determined that the license does not represent functional intellectual property, revenue is recognized over time using an appropriate method of measuring progress.

Research and collaboration licenses: Collaboration agreements may include research licenses and research and development services to be performed by the Company. For research 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 proportional performance for purposes of recognizing revenue from non-refundable, upfront payments. The Company evaluates the measure of proportional performance each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

Milestone payments: At the inception of each arrangement that includes research, development, or regulatory milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price. The Company uses the most likely amount method for research, development and regulatory milestone payments. Under the most likely amount method, an entity considers the single most likely amount in a range of possible consideration amounts. If it is probable that a significant revenue reversal would not occur, the associated milestone amount is included in the transaction price.

Sales-based milestones and royalties: For arrangements that include sales-based milestone or royalty payments based on the level of sales, and in which the license is deemed to be the predominant item to which the sales-based milestone or royalties relate to, the Company recognizes revenue in the period in which the sales-based milestone is achieved and in the period in which the sales associated with the royalty occur. To date, the Company has not recognized any sales-based milestone or royalty revenue resulting from its collaboration arrangements.

Customer options: Customer options, such as options granted to allow a licensee to extend a license or research term, to select additional research targets or to choose to research, develop and commercialize licensed compounds are evaluated at contract inception to determine whether those options provide a material right (i.e., an optional good or service offered for free or at a discount) to the customer. If the customer options represent a material right, the material right is treated as a separate performance obligation at the outset of the arrangement. The Company allocates the transaction price to material rights based on the standalone selling price. As a practical alternative to estimating the standalone selling price of a material right when the underlying goods or services are both (i) similar to the original goods or services in the contract and (ii) provided in accordance with the terms of the original contract, the Company allocates the total amount of consideration expected to be received from the customer to the total goods or services expected to be provided to the customer. Amounts allocated to any material right are recognized as revenue when or as the related future goods or services are transferred or when the option expires.

Deferred revenue, which is a contract liability, represents net amounts received by the Company for which the related revenues have not been recognized because one or more of the revenue recognition criteria have not been met. The current portion of deferred revenue represents the amount to be recognized within one year from the condensed consolidated balance sheet date based on the estimated performance period of the underlying performance obligation. The non-current portion of deferred revenue represents amounts to be recognized after one year through the end of the performance period of the performance obligation.

***Recently Adopted Accounting Pronouncements***

There have been no recent accounting pronouncements, changes in accounting pronouncements or recently adopted accounting guidance during the nine months ended August 31, 2023 that are of significance or potential significance to the Company.

**3. Collaboration Agreements**

***Gilead***

In June 2019, the Company entered into a global strategic collaboration agreement with Gilead (as subsequently amended, the Gilead Agreement), to discover, develop and commercialize a pipeline of targeted protein degradation drugs for patients with cancer and other challenging diseases using the Company's DELigase platform to identify novel agents that utilize E3 ligases to induce degradation of five specified drug targets. In August 2019 and September 2022, the Company entered into the First Amendment and the Second Amendment, respectively, to the Gilead Agreement to clarify certain language of the Gilead Agreement. These amendments had no impact on revenue recognition.

Under the Gilead Agreement, Gilead has the option to license drug candidates directed to up to five targets resulting from the collaboration and is responsible for the clinical development and commercialization of drug candidates resulting from the collaboration. The Company retains the option to co-develop and co-promote, under a profit share structure, up to two drug candidates in the United States, provided that the Company may only exercise such option once per licensed product and Gilead retains the right to veto the Company's option selection for any one drug candidate of its choice. The collaboration excludes the Company's current internal protein degradation programs for which the Company retains all rights, and also excludes the Company's future internal programs, provided that the Company has distinguished future programs as excluded from the scope of the collaboration. In March 2023, Gilead exercised the option, which did not represent a material right at contract inception, since it was not offered for free or at a discount, to exclusively license one target (Gilead License Option Exercise), the first development candidate resulting from the Gilead Agreement. Pursuant to the Gilead Agreement, the Company received a license option exercise payment of $20.0 million in April 2023 for the Gilead License Option Exercise. The license to the functional intellectual property and all goods and services related to the Gilead License Option Exercise were transferred during the second quarter of fiscal year 2023.

Upon signing the Gilead Agreement, Gilead paid the Company an upfront payment of $45.0 million plus $3.0 million in additional fees. In addition, from the signing of the Gilead Agreement to August 31, 2023, the Company has received payments of $41.0 million for research milestones and additional payments. Additionally, the Company achieved a research milestone in August 2023 and received a payment of $6.0 million in the fourth fiscal quarter of 2023. As of August 31, 2023, the Company is eligible to receive up to approximately $2.3 billion in total additional payments based on certain additional fees, payments and the successful completion of certain preclinical, clinical, development and sales milestones. The Company also is eligible to receive mid-single digit to low tens percentage tiered royalties on annual net sales from any commercial products directed to the optioned collaboration targets, subject to certain reductions and excluding sales in the United States of any products for which the Company exercises its option to co-develop and co-promote, for which the Company and Gilead share profits and losses evenly.

The Company re-evaluates the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur. The Company determined that the transaction price at the inception of the Gilead Agreement consisted of the upfront payment of $45.0 million and $3.0 million in additional fees. Upon the achievement of research milestones and additional fees related to target reservations, $47.0 million in variable consideration was added to the transaction price, and a cumulative effect was recorded as revenue in the period the transaction price increased. The transaction price is recognized as collaboration revenue using the cost-based input method over the estimated contract term of five years.

For the three and nine months ended August 31, 2023, the Company recognized collaboration revenue related to the Gilead Agreement of $11.6 million and $24.7 million, respectively, of which $6.6 million and $15.1 million, respectively, was included in deferred revenue as of November 30, 2022, and $4.7 million and $8.0 million, respectively, was related to activities satisfied in previous periods. The Company also recognized $20.0 million in license revenue received pursuant to the Gilead License Option Exercise during the nine months ended August 31, 2023. For the three and nine months ended August 31, 2022, the Company recognized collaboration revenue related to the Gilead Agreement of $7.2 million and $19.5 million, respectively, of which $5.6 million and $14.3 million, respectively, was included in deferred revenue as of November 30, 2021, and $0.6 million and $4.1 million, respectively, was related to activities satisfied in previous periods. As of August 31, 2023, deferred revenue related to the Gilead Agreement was $9.2 million, all of which was current and includes $6.0 million in contract assets representing the unbilled amount related to the research milestone achieved in August 2023. As of November 30, 2022, deferred revenue related to the Gilead Agreement was $27.4 million, of which $18.2 million was included as deferred revenue, current.

***Sanofi***

In December 2019, the Company entered into a strategic collaboration with Genzyme Corporation, a subsidiary of Sanofi, which became effective in January 2020 (as subsequently expanded and amended, the Sanofi Agreement), to discover, develop and commercialize a pipeline of targeted protein degradation drugs for patients with challenging diseases in multiple therapeutic areas using the Company's DELigase platform to identify small molecules designed to induce degradation of three specified initial drug targets. In January 2021, as part of the existing collaboration agreement, Sanofi paid the Company $22.0 million to exercise its option to expand the number of targets in the collaboration agreement from three to a total of five targets.

In January 2021, the Company and Sanofi entered into the First Amendment to the Sanofi Agreement to modify the research term on all targets (the First Sanofi Amendment). Over time and subject to certain limitations, Sanofi may elect to replace the drug targets with other reserved targets. In December 2021, the Company and Sanofi entered into the Second Amendment to the Sanofi Agreement to extend the substitution deadline on certain targets. In July 2022, the Company entered into the Third Amendment to the Sanofi Agreement to further extend the substitution deadline on certain targets. The extensions of the substitution deadline had no impact on revenue recognition. Also in July 2022, Sanofi elected to replace certain drug targets, and the substitution extended the research term of those targets by one year to 5.25 years and increased overall forecasted costs, which had an immaterial impact on revenue recognition. In August 2022, the Company entered into the Fourth Amendment to the Sanofi Agreement to modify the research plan for a certain target, which had no impact on revenue recognition.

Upon signing the Sanofi Agreement, Sanofi paid the Company an upfront payment of $55.0 million. Subsequently, in January 2021, Sanofi paid the Company an additional $22.0 million to exercise its option to expand the number of targets beyond the initial targets included in the collaboration. In addition, from the signing of the Sanofi Agreement to August 31, 2023, the Company has received payments of $5.0 million for research milestones. Additionally, the Company achieved a research milestone in August 2023 and received a payment of $2.0 million in the fourth fiscal quarter of 2023. As of August 31, 2023, the Company is eligible to receive up to approximately $2.5 billion in total additional payments based on certain additional fees, payments and the successful completion of certain research development, regulatory and sales milestones, as well as mid-single digit to low teen percentage tiered royalties on annual net sales of any commercial products that may result from the collaboration, subject to certain reductions and excluding sales in the United States of any products for which the Company exercises its option to co-develop and co-promote, for which the parties share profits and losses evenly.

The Company re-evaluates the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur. At the inception of the Sanofi Agreement, the Company determined that the transaction price consisted of the upfront payment of $55.0 million for three initial drug targets and $22.0 million for two additional targets. Subsequently, upon the achievement of research milestones, $7.0 million in variable consideration was added to the transaction price and a cumulative effect was recorded as revenue in the period the transaction price increased. Revenue is recognized using the cost-based input method over the research term of 4.25 years, the revised research period that was agreed to in January 2021 in the First Sanofi Amendment for certain targets, and 5.25 years, the revised research period due to the target substitutions in July 2022, for certain other targets.

For the three and nine months ended August 31, 2023, the Company recognized collaboration revenue related to the Sanofi Agreement of $6.8 million and $17.1 million, respectively, of which $5.6 million and $15.4 million, respectively, was included in deferred revenue as of November 30, 2022, and $1.1 million and $1.1 million, respectively, was related to activities satisfied in previous periods. For the three and nine months ended August 31, 2022, the Company recognized collaboration revenue related to the Sanofi Agreement of $3.6 million and $12.4 million, respectively, of which $3.6 million and $11.8 million, respectively, was included in deferred revenue as of November 30, 2021 and zero and $0.4 million, respectively, was related to activities satisfied in previous periods. As of August 31, 2023, deferred revenue related to the Sanofi Agreement was $33.1 million, of which $22.8 million was included as deferred revenue, current. Additionally, as of August 31, 2023, $2.0 million was recorded in accounts receivable representing the billed amount related to the research milestone achieved in August 2023. As of November 30, 2022, deferred revenue related to the Sanofi Agreement was $46.2 million, of which $19.4 million was included as deferred revenue, current, and includes $1.0 million in contract assets representing the unbilled amount related to the research milestone recognized in November 2022.

***Seagen***

In September 2023, the Company entered into a strategic collaboration with Seagen (the Seagen Agreement) to develop a suite of targeted protein degraders against multiple targets nominated by Seagen that are suitable for antibody conjugation. Seagen will be responsible for conjugating these degraders to antibodies to make Degrader-Antibody Conjugates (DACs), a new class of medicines for use in cancer treatment, and advancing these DAC drug candidates through preclinical and clinical development and commercialization. Subject to earlier expiration in certain circumstances, the Seagen Agreement expires on a licensed product-by-licensed product and country-by-country basis upon on the later of (i) the expiration of the last-to-expire patent with a valid claim covering the applicable licensed product in the applicable country, (ii) the expiration of any regulatory exclusivity for the applicable licensed product in the applicable country or (iii) ten years after the first commercial sale of the applicable licensed product in the applicable country covered by the Seagen Agreement. If Seagen does not exercise an option to license a product, then the Seagen Agreement will terminate at the end of the last-to-expire option period.

Under the terms of the Seagen Agreement, the Company received an upfront payment of $60.0 million. In addition, the Company is eligible to receive up to approximately $3.4 billion in contingent payments based on specified research, development, regulatory and commercial milestones across multiple programs, and is eligible for mid-single to low double digit tiered royalties on future sales. The Company retains an option for U.S. profit sharing and co-promotion on two products arising from the collaboration.

## 4. Condensed Consolidated Balance Sheet Components

***Property and Equipment, Net***

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

| | August 31, 2023 | November 30, 2022 |
|---|---|---|
| Laboratory equipment | $ 30,752 | $ 26,385 |
| Leasehold improvements | 3,413 | 3,825 |
| Computer equipment | 897 | 786 |
| Furniture and fixtures | 601 | 452 |
| Software | 5,342 | 4,688 |
| Software in progress | 622 | 697 |
| Total property and equipment, gross | 41,627 | 36,833 |
| Less: Accumulated depreciation and amortization | (25,046) | (19,670) |
| Total property and equipment, net | $ 16,581 | $ 17,163 |

***Accrued Expenses and Other Current Liabilities***

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

| | August 31, 2023 | November 30, 2022 |
|---|---|---|
| Accrued compensation | $ 11,534 | $ 13,164 |
| Accrued contract research and lab supplies | 7,955 | 6,426 |
| Accrued professional services | 1,550 | 1,250 |
| Accrued taxes | 34 | 85 |
| Other | 834 | 1,503 |
| Total accrued expenses and other current liabilities | $ 21,907 | $ 22,428 |

**5. Fair Value Measurements**

In accordance with the authoritative guidance on fair value measurements and disclosures under U.S. GAAP, the Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

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

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3—Inputs that are unobservable.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and considers factors specific to the asset or liability.

The following tables present the Company's investments, which consist of cash equivalents and available-for-sale marketable securities, that are measured at fair value on a recurring basis as of August 31, 2023 and November 30, 2022 (in thousands):

| August 31, 2023 | Level | Amortized cost | Unrealized gain | Unrealized loss | Estimated fair value |
|---|---|---|---|---|---|
| Money market funds | Level 1 | $ 37,928 | $ — | $ — | $ 37,928 |
| U.S. treasury securities | Level 1 | 128,203 | 2 | (101) | 128,104 |
| Corporate debt securities | Level 2 | 14,772 | — | (124) | 14,648 |
| U.S. government agency securities | Level 2 | 74,688 | — | (892) | 73,796 |
| Corporate commercial paper | Level 2 | — | — | — | — |
| Long-term marketable securities: | | | | | |
| U.S. government agency securities | Level 2 | 9,995 | — | (113) | 9,882 |
| Total | | $ 265,586 | $ 2 | $ (1,230) | $ 264,358 |
| Included in cash and cash equivalents | | $ 37,928 | $ — | $ — | $ 37,928 |
| Included in marketable securities, current | | $ 217,663 | $ 2 | $ (1,117) | $ 216,548 |
| Included in marketable securities, non-current | | $ 9,995 | $ — | $ (113) | $ 9,882 |

| November 30, 2022 | Level | Amortized cost | Unrealized gain | Unrealized loss | Estimated fair value |
|---|---|---|---|---|---|
| Money market funds | Level 1 | $ 59,452 | $ — | $ — | $ 59,452 |
| U.S. treasury securities | Level 1 | 75,322 | — | (1,120) | 74,202 |
| Corporate debt securities | Level 2 | 81,026 | — | (1,279) | 79,747 |
| U.S. government agency securities | Level 2 | 8,998 | — | (135) | 8,863 |
| Corporate commercial paper | Level 2 | 74,896 | — | — | 74,896 |
| Foreign government securities | Level 2 | 7,051 | — | (92) | 6,959 |
| Long-term marketable securities: | | | | | |
| U.S. treasury securities | Level 1 | 5,779 | — | (98) | 5,681 |
| Corporate debt securities | Level 2 | 3,492 | — | (217) | 3,275 |
| U.S. government agency securities | Level 2 | 56,301 | 1 | (1,379) | 54,923 |
| Total | | $ 372,317 | $ 1 | $ (4,320) | $ 367,998 |
| Included in cash and cash equivalents | | $ 59,452 | $ — | $ — | $ 59,452 |
| Included in marketable securities, current | | $ 247,293 | $ — | $ (2,626) | $ 244,667 |
| Included in marketable securities, non-current | | $ 65,572 | $ 1 | $ (1,694) | $ 63,879 |

The accrued interest receivable related to the Company's marketable securities was $0.8 million and $1.1 million as of August 31, 2023 and November 30, 2022, respectively, and was included in prepaid expenses and other current assets on the condensed consolidated balance sheet. Long-term marketable securities held by the Company generally mature within two years from the balance sheet date.

The Company classifies its money market funds and U.S. treasury securities, which are valued based on quoted market prices in active markets with no valuation adjustment, as Level 1 assets within the fair value hierarchy.

The Company classifies its marketable securities in corporate debt securities, U.S. government agency securities, corporate commercial paper and foreign government securities as Level 2 assets within the fair value hierarchy. The fair values of these marketable securities are estimated by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities, prepayment/default projections based on historical data and other observable inputs. There were no transfers of financial instruments between valuation levels during the three and nine months ended August 31, 2023 and 2022.

As of August 31, 2023 and November 30, 2022, the unrealized losses for available-for-sale securities were non-credit related, and the Company does not intend to sell the securities that were in an unrealized loss position, nor will it be required to sell those securities before recovery of their amortized cost basis, which may be maturity. As of August 31, 2023 and November 30, 2022, no allowance for credit losses for the Company's marketable securities was recorded. During the three and nine months ended August 31, 2023 and 2022, the Company did not recognize any impairment losses related to marketable securities.

## 6. Commitments and Contingencies

### *Legal Proceedings*

From time to time, the Company may be involved in legal proceedings in the ordinary course of business. The Company accrues a liability for such matters when it is probable that future expenditures will be made and that such expenditures can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. Legal fees and other costs associated with such actions are expensed as incurred. As of August 31, 2023, the Company was not a party to any material legal proceedings.

***Indemnifications***

In the ordinary course of business, the Company often includes standard indemnification provisions in its arrangements with its partners, suppliers and vendors, among others. Pursuant to these provisions, the Company may be obligated to indemnify such parties for losses or claims suffered or incurred in connection with its service, breach of representations or covenants, intellectual property infringement or other claims made against such parties. These provisions may limit the time within which an indemnification claim can be made. It is not possible to determine the maximum potential amount under these indemnification obligations due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. The Company has not incurred any material costs as a result of such indemnifications and has not accrued any liabilities related to such obligations in these condensed consolidated financial statements as management believes such liability is immaterial.

In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon the Company to provide indemnification under such agreements, and thus, there are no claims that the Company is aware of that could have a material effect on the Company's condensed consolidated financial statements. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is not specified in the agreements. However, the Company currently has directors' and officers' insurance that reduces its exposure and may enable the Company to recover a portion of any future amounts paid.

***Operating Leases***

The Company leases office and laboratory facilities totaling approximately 57,902 square feet within the same building in San Francisco, California under several lease agreements. The terms of these lease agreements expire on April 30, 2025.

In July 2021, and as subsequently amended in June 2023, the Company entered into a lease agreement for the lease of approximately 19,320 square feet of office space in San Francisco, California, for a research and development laboratory and related uses. The lease will expire on June 30, 2024, unless terminated earlier.

In March 2022, the Company entered into a lease agreement for the lease of approximately 46,434 square feet of office space in The Woodlands, Texas, for a research and development laboratory and related uses. In August 2023, the lease agreement was amended to increase the square footage of the leased premise to 50,094 square feet. The Company obtained access to the premise on August 1, 2022 to commence construction of landlord-owned improvements. The lease commenced in September 2023 when the underlying assets became available for use and the Company obtained control and will expire on March 1, 2035, unless terminated earlier. The Company has an option to renew for two additional terms of five years each, and it is not reasonably certain that the Company will exercise this option. Pursuant to the terms of the lease agreement, the minimum rent payable by the Company under the lease will be approximately $154,000 per month for the period between March 1, 2023 and February 29, 2024, and approximately $211,000 per month thereafter; provided that the minimum rent payable by the Company will increase by 3% per year over the term of the lease. The Company will also be responsible for the payment of its proportionate share of the operating expenses as defined in the lease agreement.

Operating lease expenses, excluding additional rent charges for utilities, maintenance and real estate taxes, were $1.5 million for each of the three months ended August 31, 2023 and 2022, and $4.5 million and $4.4 million for the nine months ended August 31, 2023 and 2022, respectively. Short-term lease expense was not material for all periods presented.

Other information related to leases were as follows (in thousands):

| | Nine Months Ended August 31, | |
|---|---|---|
| | 2023 | 2022 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Cash flows from operating leases | $ 4,182 | $ 5,198 |
| Supplemental disclosures of non-cash investing and financing activities: | | |
| Right-of-use assets recognized in exchange for lease obligations | $ — | $ 5,060 |

**7. Common Stock**

The Company's Restated Certificate of Incorporation authorizes the Company to issue up to 500,000,000 shares of common stock, $0.001 par value per share, as of August 31, 2023 and November 30, 2022. Holders of common stock are entitled to dividends when and if declared by the Company's board of directors, subject to the prior rights of the holders of shares of preferred stock. The holder of each share of common stock is entitled to one vote. As of August 31, 2023, no dividends have been declared.

In July 2022, the Company issued pre-funded warrants to purchase an aggregate of 6,814,920 shares of the Company's common stock in RDOs at a price of $13.939 per pre-funded warrant. The pre-funded warrants were immediately exercisable, have an exercise price of $0.001 and may be exercised at any time after the date of issuance. A holder of pre-funded warrants may not exercise the warrant if the holder, together with its affiliates, would beneficially own more than 9.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to such exercise. A holder of the pre-funded warrants may increase or decrease this percentage not in excess of 19.99% by providing at least 61 days' prior notice to the Company. As of August 31, 2023, there were pre-funded warrants to purchase an aggregate of 6,097,560 shares of the Company's common stock that remained available for exercise.

The pre-funded warrants were classified as a component of permanent equity in the Company's condensed consolidated balance sheet as they are freestanding financial instruments that are immediately exercisable, do not embody an obligation for the Company to repurchase its own shares and permit the holders to receive a fixed number of shares of common stock upon exercise. All of the shares underlying the pre-funded warrants have been included in the weighted-average number of shares of common stock used to calculate net loss per share attributable to common stockholders because the shares may be issued for little or no consideration, are fully vested and are exercisable after the original issuance date of the pre-funded warrants.

Common stock reserved for future issuance, on an as-if converted basis, as of August 31, 2023 and November 30, 2022, consists of the following:

| | August 31, 2023 | November 30, 2022 |
|---|---|---|
| Options to purchase common stock issued and outstanding | 8,487,135 | 8,256,957 |
| Restricted stock units issued and outstanding | 1,434,888 | 784,824 |
| Shares available for future equity grants | 1,493,795 | 834,291 |
| Shares available for issuance under employee stock purchase plan | 1,530,281 | 1,325,523 |
| Pre-funded warrants issued and outstanding | 6,097,560 | 6,814,920 |
| Total common stock reserved for future issuance | 19,043,659 | 18,016,515 |

## 8. Stock-Based Compensation

***Equity Incentive Plans***

The Company's 2020 Equity Incentive Plan (the 2020 Plan) serves as the successor to the Company's 2012 Equity Incentive Plan (together with the 2020 Plan, the Stock Plans) and provides for the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock units (RSUs), performance awards and stock bonus awards to employees, directors, consultants, independent contractors and advisors of the Company.

Option activity under the Stock Plans is set forth below:

| | Number of options outstanding | Weighted-average exercise price |
|---|---|---|
| Balances as of November 30, 2022 | 8,256,957 | $ 19.47 |
| Options granted | 1,857,700 | 10.55 |
| Options exercised | (115,584) | 8.47 |
| Options forfeited | (1,511,938) | 21.75 |
| Balances as of August 31, 2023 | 8,487,135 | $ 17.26 |

RSU activity under the Stock Plans is set forth below:

| | Number of RSUs | Weighted-average grant date fair value |
|---|---|---|
| Balances as of November 30, 2022 | 784,824 | $ 18.97 |
| RSUs granted | 1,053,915 | 10.74 |
| RSUs vested | (231,561) | 16.10 |
| RSUs forfeited | (172,290) | 14.35 |
| Balances as of August 31, 2023 | 1,434,888 | $ 13.94 |

***Employee Stock Purchase Plan***

Under the Company's 2020 Employee Stock Purchase Plan (the ESPP), eligible employees are entitled to purchase shares of common stock with accumulated payroll deductions. During the nine months ended August 31, 2023, the Company issued 266,964 shares of common stock pursuant to the ESPP at a weighted-average price of $8.35 per share.

***Stock-Based Compensation***

Stock-based compensation expense related to the Stock Plans and the ESPP that is included in the Company's condensed consolidated statements of operations is as follows (in thousands):

| | Three Months Ended, August 31, | | Nine Months Ended August 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Research and development | $ 4,552 | $ 4,229 | $ 14,565 | $ 11,766 |
| General and administrative | 3,893 | 2,759 | 11,084 | 8,068 |
| Total stock-based compensation | $ 8,445 | $ 6,988 | $ 25,649 | $ 19,834 |

As of August 31, 2023, the total compensation cost related to stock-based awards not yet recognized was $62.8 million, which is expected to be amortized on a straight-line basis over the weighted-average remaining vesting period of approximately 2.2 years.

**9. Defined Contribution Plan**

The Company sponsors a defined-contribution savings plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (the 401(k) Plan), which provides for the Company to make discretionary matching or discretionary annual contributions to the 401(k) Plan, for its employees. Substantially all of the Company's employees are eligible to participate in the 401(k) Plan. Employees may contribute a percentage of their annual compensation to the plan, subject to statutory limitations. The Company has made contributions to the 401(k) Plan and recorded contribution expense of $0.2 million and $0.1 million during the three months ended August 31, 2023 and 2022, respectively, and $1.0 million and $0.8 million during the nine months ended August 31, 2023 and 2022, respectively.

**10. Income Taxes**

For the three and nine months ended August 31, 2023 and 2022, the Company did not record any current income tax expense or provision. Deferred income taxes reflect the net tax effects of loss and credit carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Realization of the deferred tax assets is dependent upon future taxable income, the amount, if any, and timing of which are uncertain. The Company has generated losses since inception and has established a valuation allowance to offset deferred tax assets as of August 31, 2023 and 2022 due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets.

Under an Organization for Economic Co-operation and Development Inclusive Framework, more than 140 countries agreed to enact a two-pillar solution to address the challenges arising from the digitalization of the world economy (Pillar Two). Pillar Two introduces a global minimum Effective Tax Rate (ETR) via a system where multinational groups with consolidated revenue over €750M are subject to a minimum ETR of 15% on income arising in low-tax jurisdictions. Rules under Pillar Two are expected to be enacted beginning January 1, 2024. The Company will continue to monitor the impact of Pillar Two; however, the Company has minimal international activity and is not expecting Pillar Two to have an impact on its condensed consolidated financial statements.

In January 2019, the California Franchise Tax Board (FTB) initiated an examination of the Company's California tax return for the tax years ending in 2015, 2016, 2017 and 2018. During the year ended November 30, 2021, the FTB issued proposed audit assessments related to revenue sourcing and R&D credits. The Company does not agree with the FTB assessments and intends to challenge the assessments. Pursuant to a measurement analysis, the Company has not recorded an unrecognized tax benefit related to the FTB's sourcing position. The Company maintains an unrecognized tax benefit related to its California R&D credits for all years.

In December 2017, the Tax Cuts and Jobs Act (TCJA) was signed into law, significantly reforming the Internal Revenue Code of 1986, as amended (IRC). The TCJA included a provision impacting Section 174 that requires taxpayers to capitalize and amortize, rather than deduct, research and experimental (R&E) expenses for tax years beginning on or after January 1, 2022. For the year ending November 30, 2023, the Company anticipates capitalizing a significant portion of its total R&E expenses. The Company does not expect a significant current income tax liability as a result of the enactment of IRC Section 174. The Company will continue to monitor IRS guidance on this provision.

**11. Net Loss Per Share**

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholders, which excludes shares which are legally outstanding but subject to repurchase by the Company (in thousands, except share and per share data):

| | Three Months Ended August 31, | | Nine Months Ended August 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Numerator: | | | | |
| Net loss | $ (36,982) | $ (45,709) | $ (101,992) | $ (133,643) |
| Denominator: | | | | |
| Weighted-average number of shares outstanding, basic and diluted[(1)] | 54,390,859 | 50,868,542 | 54,227,491 | 46,835,776 |
| Net loss per share, basic and diluted | $ (0.68) | $ (0.90) | $ (1.88) | $ (2.85) |

(1) The shares underlying the pre-funded warrants to purchase shares of the Company's common stock have been included in the calculation of the weighted-average number of shares outstanding, basic and diluted, for the three and nine months ended August 31, 2023 and 2022.

The following potentially dilutive securities were excluded from the computation of the diluted net loss per share of common stock for the periods presented because their effect would have been anti-dilutive:

| | August 31, | |
|---|---|---|
| | 2023 | 2022 |
| Options to purchase common stock issued and outstanding | 8,487,135 | 8,115,201 |
| Options early exercised subject to vesting | 7,643 | 27,424 |
| Restricted stock units issued and outstanding | 1,434,888 | 753,518 |
| Shares expected to be purchased under employee stock purchase plan | 203,314 | 123,194 |
| Total | 10,132,980 | 9,019,337 |

**12. Related Party Transactions**

The Company's Chief Financial Officer is a trustee for the multiple employer welfare association that facilitates the acquisition and administration of the Company's healthcare plans. Expenses related to the healthcare plan premiums were $1.1 million and $1.0 million for the three months ended August 31, 2023 and 2022, respectively, and $3.3 million and $2.9 million for the nine months ended August 31, 2023 and 2022, respectively. As of August 31, 2023 and November 30, 2022, the amount recorded in accounts payable and accrued expenses and other current liabilities in connection with this healthcare plan provider was not material.

**13. Subsequent Events**

Refer to Note 3 for more information on the Seagen Agreement.

Refer to Note 6 for more information on the commencement of the lease in The Woodlands, Texas.

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

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with (1) the unaudited condensed consolidated financial statements and the related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and (2) the audited consolidated financial statements and related notes and management's discussion and analysis of financial condition and results of operations for the fiscal year ended November 30, 2022 included in our Annual Report on Form 10-K filed on February 9, 2023 (2022 Form 10-K). As discussed in the section titled "Special Note Regarding Forward Looking Statements," the following discussion and analysis contains forward looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.*

***Overview***

We are a clinical stage biopharmaceutical company focused on the discovery, development and commercialization of medicines based on the modulation of cellular protein levels as a novel treatment approach for cancer and other challenging diseases. Leveraging our extensive expertise in E3 ligases together with our proprietary DNA-encoded libraries, we have built DELigase, an integrated discovery platform to identify and advance novel drug candidates targeting E3 ligases, a broad class of enzymes that can modulate proteins within the cell. Our drug discovery approach is to either harness or inhibit the natural function of E3 ligases within the ubiquitin-proteasome system to selectively decrease or increase cellular protein levels. Our wholly owned, clinical stage pipeline includes targeted protein degraders of Bruton's tyrosine kinase (BTK), a B-cell signaling protein, and inhibitors of Casitas B-lineage lymphoma proto-oncogene B (CBL-B), an E3 ligase that regulates activation of multiple immune cell types including T cells and NK cells. Our partnered drug discovery pipeline consists of multiple programs under collaboration agreements with Gilead Sciences, Inc. (Gilead), Sanofi S.A. (Sanofi) and Seagen Inc. (Seagen), within which we retain certain options for co-development, co-commercialization and profit sharing in the United States for multiple drug candidates.

***Targeted Protein Degradation***

Our portfolio of targeted protein degraders of BTK, a B-cell signaling protein, comprises NX-2127, an orally bioavailable BTK degrader for the treatment of relapsed or refractory B-cell malignancies, and NX-5948, an orally bioavailable BTK degrader for the treatment of relapsed or refractory B-cell malignancies and potentially autoimmune diseases.

NX-2127: We are currently enrolling patients in a Phase 1 trial for patients with relapsed or refractory B-cell malignancies which comprises a Phase 1a dose-escalation study and a Phase 1b cohort expansion study. We have initiated Phase 1b expansion cohorts for patients with relapsed chronic lymphocytic leukemia, diffuse large B-cell lymphoma and mantle cell lymphoma, and enrollment continues in the Phase 1a dose-escalation portion of the trial for patients with several types of non-Hodgkin lymphoma.

NX-5948: We are currently enrolling patients in the Phase 1a portion of a Phase 1a/1b dose-escalation and cohort expansion study in patients with relapsed or refractory B-cell malignancies.

***Targeted Protein Elevation***

Our portfolio of inhibitors of CBL-B, an E3 ligase that regulates the activation of multiple immune cell types including T cells and NK cells, comprises NX-1607, an orally bioavailable CBL-B inhibitor for immuno-oncology indications, and NX-0255, for ex vivo use to enhance adoptive T-cell therapy including our drug-enhanced tumor infiltrating lymphocyte (TIL) therapy, DeTIL-0255.

NX-1607: We are currently enrolling patients in the United Kingdom and the United States in the Phase 1a portion of a Phase 1a/1b dose-escalation and cohort expansion study of NX-1607 in patients in a range of oncology indications. This study also includes a cohort within the Phase 1a dose escalation study testing NX-1607 in combination with paclitaxel, a taxane chemotherapy commonly used across a range of relapsed and refractory solid tumor indications. NX-1607 was awarded an Innovative Passport from the UK Medicines and Healthcare products Regulatory Agency to accelerate time to market and facilitate patient access to novel drugs to treat serious and life-threatening diseases.

DeTIL-0255: We completed the safety run-in portion of a Phase 1 trial in patients with advanced gynecologic malignancies, which included three patients with advanced epithelial ovarian cancer who have been dosed with DeTIL-0255 and have cleared the initial safety evaluation. Following a review of our portfolio we deprioritized the development of DeTIL-0255. Any expansion of the DeTIL-0255 Phase 1 trial will be established following a determination regarding the potential inclusion of NX-1607 in future cohorts.

***Preclinical Programs***

Beyond our clinical candidates, we are advancing additional wholly owned and partnered preclinical programs within our core therapeutic focus in cancer and selectively in non-oncology therapeutic areas. Our pipeline includes highly validated and classically undruggable targets across our proprietary efforts, academic collaborations and our established strategic collaborations with Gilead, Sanofi and Seagen.

In March 2023, we announced with Gilead that Gilead had exercised its option to exclusively license our investigational targeted protein degrader molecule NX-0479. This bivalent degrader, designated GS-6791, is the first development candidate resulting from the Gilead Agreement. Pursuant to the Gilead Agreement, we received a license option exercise payment of $20.0 million and potentially could receive up to an additional $425.0 million in clinical, regulatory, and commercial milestone payments, as well as mid-single digit to low tens percentage tiered royalties on annual net sales.

***Financial Overview***

Since the commencement of our operations, we have devoted substantially all of our resources to conducting research and development activities, establishing and maintaining our intellectual property portfolio, establishing our corporate infrastructure, raising capital and providing general and administrative support for these operations. We have funded our operations to date primarily from proceeds received under collaboration and license agreements with Celgene Corporation, Gilead, Sanofi and Seagen and the issuance and sale of common stock, redeemable convertible preferred stock and pre-funded warrants. We do not expect to generate product revenue unless and until we successfully develop and obtain approval for the commercialization of a drug candidate, and we cannot assure you that we will ever generate significant revenue or profits.

Since inception, we have generally incurred significant losses and negative cash flows from operations. During the nine months ended August 31, 2023 and 2022, we incurred net losses of $102.0 million and $133.6 million, respectively. As of August 31, 2023, we had an accumulated deficit of $503.2 million. These losses have resulted primarily from costs incurred in connection with research and development activities and general and administrative costs associated with our operations.

We do not expect to generate any revenue from commercial product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our drug candidates, which we expect will take a number of years, if ever. We expect our expenses will increase substantially as we advance our drug candidates through preclinical and clinical development; enter advanced clinical development and scale up external manufacturing capabilities to supply clinical trials; apply our DELigase platform to advance additional drug candidates and expand the capabilities of our platform; seek marketing approvals for any drug candidates that successfully complete clinical trials; ultimately establish a sales, marketing and distribution infrastructure and scale up external manufacturing capabilities to commercialize any products for which we may obtain marketing approval; expand, maintain and protect our intellectual property portfolio; and hire additional clinical, regulatory, manufacturing, quality assurance and scientific personnel. Furthermore, we expect to continue incurring costs associated with operating as a public company, including significant legal, accounting, insurance, investor relations and other administrative and professional services expenses.

Our net losses and cash flows may fluctuate significantly from period to period, depending on, among other things, variations in the level of expense related to the ongoing development of our drug candidates, our DELigase platform or future development programs; the delay, addition or termination of clinical trials; and the execution of any additional collaboration, licensing or similar arrangements, and the timing of payments we may make or receive under such arrangements.

As of August 31, 2023, we had $268.7 million in cash, cash equivalents and marketable securities. We expect that our existing cash, cash equivalents and marketable securities are sufficient to fund our operations for at least the next 12 months. See the section titled “—Liquidity and Capital Resources” for more information. To finance our operations beyond that point, we will need to raise substantial additional capital to complete the development and commercialization of our drug candidates. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing and distribution arrangements. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans.

We are exposed to credit risk on deposits in the event of default by the financial institutions to the extent account balances exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). We are closely monitoring ongoing events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, including Silicon Valley Bank (SVB). As of March 27, 2023, in connection with the closure of SVB by the California Department of Financial Protection and Innovation and the FDIC, First-Citizens Bank & Trust Company assumed all of SVB's deposits and loans. Prior to SVB's closure, the Company maintained with SVB an operating account with a cash balance of less than 1% of the Company's total cash, cash equivalents and marketable securities. In light of the foregoing, we do not believe we have exposure to loss as a result of SVB's receivership.

**Collaborations and License Agreements**

***Gilead***

In June 2019, we entered into a global strategic collaboration agreement with Gilead (as subsequently amended, the Gilead Agreement) to discover, develop and commercialize a pipeline of targeted protein degradation drugs for patients with cancer and other challenging diseases using our DELigase platform to identify novel agents that utilize E3 ligases to induce degradation of five specified drug targets. Under the Gilead Agreement, Gilead has the option to license drug candidates directed to up to five targets resulting from the collaboration and is responsible for the clinical development and commercialization of drug candidates resulting from the collaboration. We retain the option to co-develop and co-promote, under a profit share structure, up to two drug candidates in the United States under certain conditions. The collaboration excludes our current internal protein degradation programs for which we retain all rights, and also excludes our future internal programs, provided that we have distinguished future programs as excluded from the scope of the collaboration. In August 2019 and September 2022, we entered into the First and Second Amendment, respectively, to the Gilead Agreement to clarify certain language of the Gilead Agreement. These amendments had no impact on revenue recognition. In March 2023, Gilead exercised the option to exclusively license one target (Gilead License Option Exercise), the first development candidate resulting from the Gilead Agreement. Pursuant to the Gilead Agreement, we received a license option exercise payment of $20.0 million in April 2023 for the Gilead License Option Exercise.

Upon signing the Gilead Agreement, Gilead paid us an upfront payment of $45.0 million, plus $3.0 million in additional fees. In addition, from the signing of the Gilead Agreement to August 31, 2023, we received payments of $41.0 million for research milestones and additional payments. Additionally, the Company achieved a research milestone in August 2023 and received a payment of $6.0 million in the fourth fiscal quarter of 2023. As of August 31, 2023, we are eligible to receive up to approximately $2.3 billion in total additional payments based on certain additional fees, payments and the successful completion of certain preclinical, clinical, development and sales milestones. In addition, we are eligible to receive mid-single digit to low tens percentage tiered royalties on annual net sales from any commercial products directed to the optioned collaboration targets, subject to certain reductions and excluding sales in the United States of any products for which we exercise our option to co-develop and co-promote, for which we share profits and losses evenly.

We recognized collaboration revenue from the Gilead Agreement of $11.6 million and $24.7 million during the three and nine months ended August 31, 2023, and $7.2 million and $19.5 million during the three and nine months ended August 31, 2022, respectively. We also recognized $20.0 million in license revenue received pursuant to the Gilead License Option Exercise during the nine months ended August 31, 2023. As of August 31, 2023 and November 30, 2022, there was $9.2 million and $27.4 million, respectively, of deferred revenue related to payments received by us under the Gilead Agreement.

***Sanofi***

In December 2019, we entered into a strategic collaboration with Genzyme Corporation, a subsidiary of Sanofi, which became effective in January 2020 (as subsequently expanded and amended, the Sanofi Agreement), to discover, develop and commercialize a pipeline of targeted protein degradation drugs for patients with challenging diseases in multiple therapeutic areas using our DELigase platform to identify small molecules designed to induce degradation of three specified initial drug targets. In January 2021, as part of the existing Sanofi Agreement, Sanofi paid us $22.0 million to exercise its option to expand the number of targets in the Sanofi Agreement from three to a total of five targets. Over time and subject to certain limitations, Sanofi may elect to replace the drug targets with other reserved targets.

In January 2021, we entered into the First Amendment to the Sanofi Agreement to modify the research term on all targets. In December 2021, we entered into the Second Amendment to the Sanofi Agreement to extend the substitution deadline on certain targets. In July 2022, we entered into the Third Amendment to the Sanofi Agreement to further extend the substitution deadline on certain targets. The extensions of the substitution deadline had no impact on revenue recognition. Also in July 2022, Sanofi elected to replace certain drug targets, and the substitution extended the research term of those targets by one year to 5.25 years and increased overall forecasted costs, which had an immaterial impact on revenue recognition. In August 2022, we entered into the Fourth Amendment to the Sanofi Agreement to modify the research plan for a certain target, which had no impact on revenue recognition.

Upon signing the Sanofi Agreement, Sanofi paid us an upfront payment of $55.0 million. Subsequently, in January 2021, Sanofi paid us an additional $22.0 million to exercise its option to expand the number of targets beyond the initial targets included in the collaboration. In addition, from the signing of the Sanofi Agreement to August 31, 2023, we received payments of $5.0 million for research milestones. Additionally, the Company achieved a research milestone in August 2023 and received a payment of $2.0 million in the fourth fiscal quarter of 2023. As of August 31, 2023, we are eligible to receive up to approximately $2.5 billion in total payments based on certain additional fees, payments and the successful completion of certain research development, regulatory and sales milestones, as well as mid-single digit to low teen percentage tiered royalties on annual net sales of any commercial products that may result from the collaboration, subject to certain reductions and excluding sales in the United States of any products for which we exercise our option to co-develop and co-promote, for which we share profits and losses evenly.

We recognized collaboration revenue from the Sanofi Agreement of $6.8 million and $17.1 million during the three and nine months ended August 31, 2023, and $3.6 million and $12.4 million during the three and nine months ended August 31, 2022, respectively. As of August 31, 2023 and November 30, 2022, there was $33.1 million and $46.2 million, respectively, of deferred revenue related to payments received by us under the Sanofi Agreement.

***Seagen***

In September 2023, we entered into a strategic collaboration with Seagen (the Seagen Agreement) to develop a suite of targeted protein degraders against multiple targets nominated by Seagen that are suitable for antibody conjugation. Seagen will be responsible for conjugating these degraders to antibodies to make Degrader-Antibody Conjugates (DACs), a new class of medicines for use in cancer treatment, and advancing these DAC drug candidates through preclinical and clinical development and commercialization. Subject to earlier expiration in certain circumstances, the Seagen Agreement expires on a licensed product-by-licensed product and country-by-country basis upon on the later of (i) the expiration of the last-to-expire patent with a valid claim covering the applicable licensed product in the applicable country, (ii) the expiration of any regulatory exclusivity for the applicable licensed product in the applicable country or (iii) ten years after the first commercial sale of the applicable licensed product in the applicable country covered by the Seagen Agreement. If Seagen does not exercise an option to license a product, then the Seagen Agreement will terminate at the end of the last-to-expire option period.

Under the terms of the Seagen Agreement, we received an upfront payment of $60.0 million. In addition, we are eligible to receive up to approximately $3.4 billion in contingent payments based on specified research, development, regulatory and commercial milestones across multiple programs, and are eligible for mid-single to low double digit tiered royalties on future sales. We retain an option for U.S. profit sharing and co-promotion on two products arising from the collaboration.

**Components of Results of Operations**

***Collaboration Revenue***

We have no products approved for commercial sale and to date have not generated any revenue from the sale of products and do not expect to generate any revenue from the sale of products in the near future.

Our revenue to date has been generated from payments received pursuant to collaboration and license arrangements with strategic partners. Collaboration revenue consists of revenue received from upfront, milestone and contingent payments received from our collaborators. We recognize revenue from upfront payments over the contract term using the cost-based input method. The material right to the two additional targets under the Sanofi Agreement was accounted for using the practical alternative and the expected consideration to be received on the options was included for revenue allocation. We expect to continue recognizing revenue from upfront payments related to our collaboration agreements using the cost-based input method in the foreseeable future.

In addition to receiving upfront payments, we may also be entitled to milestones and other contingent payments upon achieving predefined objectives. If a milestone is considered probable of being reached, and if it is probable that a significant revenue reversal would not occur, the associated milestone amount would also be included in the transaction price.

We expect that any collaboration revenue we generate from our current collaboration and license agreements, and from any future collaboration partners, will fluctuate in the future as a result of the timing and amount of upfront, milestones and other collaboration agreement payments and other factors.

***License Revenue***

Our license revenue consists of a payment received from the Gilead License Option Exercise.

***Research and Development Expenses***

Research and development expenses consist primarily of costs incurred for the discovery and development of our drug candidates. We expense both internal and external research and development expenses to operations in the periods in which they are incurred. Nonrefundable advance payments for goods or services to be received in future periods for use in research and development activities are deferred and capitalized. The capitalized amounts are then expensed as the related goods are delivered and as services are performed. We track the external research and development costs incurred for each of our drug candidates.

Internal research and development costs include:

- payroll and personnel expenses, including benefits, stock-based compensation and travel expenses, for our research and development functions; and
- depreciation of research and development equipment, allocated overhead and facilities-related expenses.

External research and development expenses consist primarily of costs incurred for the development of our drug candidates and may include:

- fees paid to third parties such as consultants, contractors and contract research organizations to conduct our clinical trials, discovery programs and preclinical studies;
- costs to acquire, develop and manufacture supplies for clinical trials and preclinical studies, including fees paid to third parties such as contract manufacturing organizations; and
- expenses related to laboratory supplies and services.

We expect our research and development expenses to increase substantially for the foreseeable future as we conduct clinical trials for our drug candidates, continue to invest in research and development activities for discovery programs and preclinical studies, pursue regulatory approval of our drug candidates and expand our drug candidate pipeline. The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. To the extent that our drug candidates advance to and continue to advance through clinical trials, our expenses will continue increasing substantially and may become more variable. The actual probability of success for our drug candidates may be affected by a variety of factors, including the safety and efficacy of our drug candidates, investment in our clinical programs, the ability of collaborators to successfully develop our licensed drug candidates, manufacturing capability, competition with other products and commercial viability. As a result of these variables, we are unable to determine when and to what extent we will generate revenue from the commercialization and sale of our drug candidates. We may never succeed in achieving regulatory approval for any of our drug candidates.

***General and Administrative Expenses***

General and administrative expenses consist primarily of payroll and personnel expenses, including benefits and stock-based compensation, facilities-related expenses and professional fees for legal, consulting and audit and tax services. We expect our general and administrative expenses to increase for the foreseeable future as we continue to improve our infrastructure and operate as a public company. This may include expenses related to compliance with the rules and regulations of the Securities and Exchange Commission (SEC) and listing standards applicable to companies listed on a national securities exchange, additional insurance, investor relations activities and other administrative and professional services. We also expect our intellectual property expenses to increase as we expand our intellectual property portfolio.

***Interest and Other Income, Net***

Interest and other income, net primarily consists of interest earned on our cash, cash equivalents and marketable securities. We expect interest income to vary each reporting period depending on our average bank deposit, money market fund and marketable securities balances during the period and market interest rates.

***Provision for Income Taxes***

The provision for income taxes primarily consists of reserves for unrecognized tax benefits and state taxes. We have generated NOLs since inception and have established a full valuation allowance against our deferred tax assets due to the uncertainty surrounding the realization of such assets.

**Critical Accounting Policies and Estimates**

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

Our critical accounting policies and more significant areas involving management's judgments and estimates used in preparation of our financial statements are discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended November 30, 2022. Other than the updated policy on revenue recognition disclosed in Note 2, "Summary of Significant Accounting Policies—Revenue Recognition," to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, there have been no significant changes to these policies for the three and nine months ended August 31, 2023.

**Recent Accounting Pronouncements**

See Note 2, "Summary of Significant Accounting Policies—Recently Adopted Accounting Pronouncements" to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information.

**Results of Operations**

***Comparison of the three and nine months ended August 31, 2023 and 2022***

Our results of operations for the three and nine months ended August 31, 2023 and 2022 are summarized as follows (in thousands):

| | Three Months Ended August 31, | | | Nine Months Ended August 31, | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Revenue: | | | | | | |
| Collaboration revenue | $ 18,467 | $ 10,791 | $ 7,676 | $ 41,828 | $ 31,844 | $ 9,984 |
| License revenue | — | — | — | 20,000 | — | 20,000 |
| Total revenue | 18,467 | 10,791 | 7,676 | 61,828 | 31,844 | 29,984 |
| Operating expenses: | | | | | | |
| Research and development | 47,856 | 47,761 | 95 | 139,435 | 138,391 | 1,044 |
| General and administrative | 10,623 | 9,748 | 875 | 32,122 | 28,630 | 3,492 |
| Total operating expenses | 58,479 | 57,509 | 970 | 171,557 | 167,021 | 4,536 |
| Loss from operations | (40,012) | (46,718) | 6,706 | (109,729) | (135,177) | 25,448 |
| Interest and other income, net | 3,030 | 1,009 | 2,021 | 7,737 | 1,534 | 6,203 |
| Net loss | $ (36,982) | $ (45,709) | $ 8,727 | $ (101,992) | $ (133,643) | $ 31,651 |

***Collaboration Revenue***

Our collaboration revenue for the three and nine months ended August 31, 2023 and 2022 is summarized as follows (in thousands):

| | Three Months Ended August 31, | | | Nine Months Ended August 31, | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Gilead | $ 11,637 | $ 7,182 | $ 4,455 | $ 24,703 | $ 19,489 | $ 5,214 |
| Sanofi | 6,830 | 3,609 | 3,221 | 17,125 | 12,355 | 4,770 |
| Total collaboration revenue | $ 18,467 | $ 10,791 | $ 7,676 | $ 41,828 | $ 31,844 | $ 9,984 |

Our collaboration revenue increased by $7.7 million during the three months ended August 31, 2023 compared to the three months ended August 31, 2022 primarily due to increased effort resulting in a higher percentage of completion of performance obligations under our collaborations with Gilead and Sanofi in the current period. The increase was also due to higher achievement of research milestones that resulted in higher revenue recognized in each period and impacted the cumulative catch up in revenue for activities satisfied in previous periods.

Our collaboration revenue increased by $10.0 million during the nine months ended August 31, 2023 compared to the nine months ended August 31, 2022, primarily due to increased effort resulting in a higher percentage of completion of performance obligations under our collaborations with Gilead and Sanofi in the current period. The increase was also due to higher achievement of research milestones that resulted in higher revenue recognized in each period and impacted the cumulative catch up in revenue for activities satisfied in previous periods.

***License Revenue***

Our license revenue was $20.0 million for the nine months ended August 31, 2023 and is related to the Gilead License Option Exercise. There was no license revenue for the three months ended August 31, 2023, or for the three and nine months ended August 31, 2022.

***Research and Development Expenses***

Our research and development expenses for the three and nine months ended August 31, 2023 and 2022 are summarized as follows (in thousands):

| | Three Months Ended August 31, | | | Nine Months Ended August 31, | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Compensation and related personnel costs | $ 17,707 | $ 17,290 | $ 417 | $ 55,508 | $ 48,984 | $ 6,524 |
| Stock-based compensation | 4,552 | 4,229 | 323 | 14,565 | 11,766 | 2,799 |
| Supplies and contract research | 10,895 | 12,680 | (1,785) | 30,754 | 36,413 | (5,659) |
| Preclinical activities | 686 | 1,513 | (827) | 1,166 | 5,350 | (4,184) |
| Contract manufacturing | 2,127 | 3,014 | (887) | 5,387 | 10,738 | (5,351) |
| Clinical costs | 4,870 | 3,473 | 1,397 | 12,510 | 9,978 | 2,532 |
| Facility and other costs | 7,019 | 5,562 | 1,457 | 19,545 | 15,162 | 4,383 |
| Total research and development expenses | $ 47,856 | $ 47,761 | $ 95 | $ 139,435 | $ 138,391 | $ 1,044 |

Our research and development expenses increased by $0.1 million during the three months ended August 31, 2023 compared to the three months ended August 31, 2022. There was an increase in clinical costs as we continued our clinical trial programs and ongoing patient enrollment, offset by a decrease in research related costs as we concluded certain studies and research activities and a decrease in contract manufacturing as we stabilized the supply needed for our clinical trials. There was also an increase in facility and other costs primarily driven by additional investments in information technology and expenses related to our leases of office and laboratory space.

Our research and development expenses increased by $1.0 million during the nine months ended August 31, 2023 compared to the nine months ended August 31, 2022. There was an increase in compensation and related personnel costs and in non-cash stock-based compensation expense that were primarily attributable to higher headcount and issuance of restricted stock units (RSUs) and incentive stock options. There was also an increase in clinical costs as we continued our clinical trial programs and ongoing patient enrollment, offset by a decrease in research related costs as we concluded certain studies and sponsored research agreements and a decrease in contract manufacturing as we stabilized the supply needed for our clinical trials. There was also an increase in facility and other costs primarily driven by additional investments in information technology, depreciation from equipment placed into service during the prior fiscal year, and expenses related to our leases of office and laboratory space.

***General and Administrative Expenses***

Our general and administrative expenses increased by $0.9 million during the three months ended August 31, 2023 compared to the three months ended August 31, 2022. There was an increase in non-cash stock-based compensation expense primarily driven by the increased issuance of RSUs and incentive stock options and an increase in professional service costs related to the Seagen Agreement, offset by a decrease in outside consulting costs.

Our general and administrative expenses increased by $3.5 million during the nine months ended August 31, 2023 compared to the nine months ended August 31, 2022. There was an increase in non-cash stock-based compensation expense primarily driven by the increased issuance of RSUs and incentive stock options and an increase in professional service costs related to the Seagen Agreement, offset by a decrease in outside consulting costs.

**Liquidity and Capital Resources**

***Sources of Liquidity***

In July 2020, we closed our initial public offering (IPO) and issued 12,550,000 shares of our common stock (including the exercise by the underwriters of their option to purchase an additional 1,550,000 shares of common stock in August 2020) at a price to the public of $19.00 per share for net proceeds of $218.1 million, after deducting underwriting discounts and commissions of $16.7 million and expenses of $3.6 million.

In March 2021, we completed a follow-on offering and issued 5,175,000 shares of our common stock (including the exercise by the underwriters of their option to purchase an additional 675,000 shares of common stock) at a price to the public of $31.00 per share for net proceeds of $150.2 million, after deducting underwriting discounts and commissions of $9.6 million and expenses of $0.6 million.

In August 2021, we entered into an Equity Distribution Agreement with Piper Sandler & Co. (Piper Sandler) pursuant to which, from time to time, we may offer and sell through Piper Sandler up to $150.0 million of the common stock registered under our shelf registration statement on Form S-3 pursuant to one or more “at the market” offerings. We are not required to sell any shares at any time during the term of the Equity Distribution Agreement. We agreed to pay Piper Sandler a commission of 3% of the gross sales price of any shares sold pursuant to the Equity Distribution Agreement. In June 2022, we issued and sold 2,000,000 shares of common stock under the Equity Distribution Agreement at a price of $10.0001 per share of common stock for net proceeds of approximately $19.3 million after deducting offering commissions and expenses paid by us (the June 2022 ATM Offering). As of August 31, 2023, we had $130.0 million of common stock remaining available for sale under the Equity Distribution Agreement.

In July 2022, we entered into separate securities purchase agreements with certain purchasers to issue and sell pre-funded warrants to purchase an aggregate of 6,814,920 shares of our common stock in registered direct offerings (RDOs) at a price of $13.939 per pre-funded warrant. Net proceeds from the RDOs were approximately $94.8 million, after deducting offering expenses of $0.2 million. The pre-funded warrants were immediately exercisable, have an exercise price of $0.001 and may be exercised at any time after the date of issuance. A holder of the pre-funded warrants may not exercise the warrant if the holder, together with its affiliates, would beneficially own more than 9.99% of the number of shares of our common stock outstanding immediately after giving effect to such exercise. A holder of the pre-funded warrants may increase or decrease this percentage not in excess of 19.99% by providing us at least 61 days’ prior notice. As of August 31, 2023, a total of 6,097,560 pre-funded warrants remained available for exercise.

***Funding Requirements***

As of August 31, 2023, our operations have primarily been funded through the net proceeds from equity offerings of $650.5 million and proceeds from collaboration agreements of $341.0 million. We do not have any products approved for sale, and we have not generated any revenue from product sales. As of August 31, 2023, we had $268.7 million in cash, cash equivalents and marketable securities.

We expect that our existing cash, cash equivalents and marketable securities are sufficient to meet our cash requirements and continue operating activities, including the clinical trials of our drug candidates NX-2127, NX-1607 and NX-5948 and the expansion of our intellectual property portfolio and infrastructure, for at least the next 12 months. We will need substantial additional funding to support our continuing operations and pursue our long-term business plan. We may seek to raise any necessary additional capital through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing and distribution arrangements. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates and the extent to which we may enter into additional collaborations with third parties to participate in their development and commercialization, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated pre-clinical studies and clinical trials.

In the long term, our ability to support our working capital and capital expenditure requirements will depend on many factors, including the following:

- the progress, costs and results of our ongoing Phase 1 clinical trials for our lead drug candidates NX-2127, NX-1607 and NX-5948, and any future clinical development of such drug candidates;
- the scope, progress, costs and results of preclinical and clinical development for our other drug candidates and development programs;
- the number and development requirements of other drug candidates that we pursue;
- the scope of, and costs associated with, future advancements to our DELigase platform;
- the success of our collaborations with Gilead, Sanofi, Seagen and any other collaborations we may establish;
- the costs, timing and outcome of regulatory review of our drug candidates;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our drug candidates for which we receive marketing approval;
- the revenue, if any, received from commercial sales of our drug candidates for which we receive marketing approval;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims; and
- our ability to establish additional collaboration arrangements with other biotechnology or pharmaceutical companies on favorable terms, if at all, for the development or commercialization of our drug candidates.

If adequate funds are not available at favorable terms, we may be required to reduce operating expenses, delay or reduce the scope of our product development and commercial expansion programs, obtain funds through arrangements with others that may require us to relinquish rights to certain of our technologies or products that we would otherwise seek to develop or commercialize ourselves, or cease operations. If we do raise additional capital through public or private equity or convertible debt offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

Our contractual obligations mostly consist of our operating lease obligations for facilities in San Francisco, California and The Woodlands, Texas. Our total operating lease commitments as of August 31, 2023, were approximately $41.6 million, of which $7.6 million is expected to be paid within the next 12 months. In addition, we enter into agreements in the normal course of business with contract research organizations for clinical trials and with vendors for preclinical studies and other services and products for operating purposes, which are generally cancelable upon written notice.

We did not have during the periods presented, and we do not currently have, any commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources.

***Cash flows***

Our cash flows for the nine months ended August 31, 2023 and 2022 are summarized as follows (in thousands):

| | Nine Months Ended August 31, | |
|---|---|---|
| | 2023 | 2022 |
| Cash used in operating activities | $ (108,054) | $ (121,852) |
| Cash provided by (used in) investing activities | 82,674 | (27,810) |
| Cash provided by financing activities | 3,210 | 117,327 |
| Net decrease in cash, cash equivalents and restricted cash | $ (22,170) | $ (32,335) |

***Operating activities***

Net cash used in operating activities was $108.1 million for the nine months ended August 31, 2023 and consisted of a net loss of $102.0 million and an increase in net assets of $38.7 million, offset by non-cash adjustments of $32.6 million. The increase in net assets consisted of a decrease in deferred revenue of $31.3 million, which included an increase in contract assets of $6.0 million related to the achievement of a milestone under the Gilead Agreement, as we increased effort in our programs and recognized revenue, a decrease in operating lease liabilities of $4.9 million due to lease payments made during the period, a decrease in accounts payable of $3.0 million from payments to vendors and an increase in accounts receivable of $2.0 million related to the achievement of a milestone under the Sanofi Agreement, offset by decrease in prepaid and other assets of $2.6 million primarily due to the recognition of expenses for prepaid services. Non-cash adjustments primarily consisted of stock-based compensation expenses of $25.6 million, depreciation and amortization expenses of $5.6 million, amortization of operating lease right-of-use assets of $4.3 million and net accretion of discount on marketable securities of $3.5 million.

Net cash used in operating activities was $121.9 million for the nine months ended August 31, 2022 and consisted of a net loss of $133.6 million and an increase in net assets of $17.1 million, offset by non-cash adjustments of $28.9 million. The increase in net assets consisted of a decrease in deferred revenue of $22.3 million as we increased effort in our programs and recognized revenue, a decrease in operating lease liabilities of $3.7 million and an increase in prepaid expenses and other assets of $2.3 million primarily related to increased prepaid clinical and contract manufacturing costs and software license costs, offset by a decrease in accounts receivable of $6.0 million related to payments received under the Gilead Agreement, an increase in accrued expenses and other liabilities of $4.2 million primarily related to equipment purchases and the accrual of annual incentive compensation and an increase in accounts payable of $1.0 million. Non-cash adjustments primarily consisted of stock-based compensation expenses of $19.8 million, amortization of operating lease right-of-use assets of $4.0 million and depreciation and amortization expenses of $3.7 million.

***Investing activities***

Net cash provided by investing activities was $82.7 million for the nine months ended August 31, 2023 and consisted of the maturity of marketable securities of $246.4 million, offset by the purchase of marketable securities of $157.9 million and the purchase of property and equipment of $5.8 million.

Net cash used in investing activities was $27.8 million for the nine months ended August 31, 2022 and consisted of the purchase of marketable securities of $212.5 million and the purchase of property and equipment of $9.7 million, offset by the maturity of marketable securities of $194.3 million.

***Financing activities***

Net cash provided by financing activities was $3.2 million for the nine months ended August 31, 2023 and consisted primarily of proceeds from the issuance of common stock under our Employee Stock Purchase Plan (ESPP).

Net cash provided by financing activities was $117.3 million for the nine months ended August 31, 2022 and consisted primarily of net proceeds from the issuance of pre-funded warrants in the RDOs of $94.9 million and from the issuance of common stock in the June 2022 ATM Offering of $19.4 million.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide this information.

**Item 4. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer, our principal executive officer and principal accounting and financial officer, respectively, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of August 31, 2023.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted 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 controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our President and Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure. Based on their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of August 31, 2023.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended August 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, we may be involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, in the opinion of management, would have a material adverse effect on our business or condensed consolidated financial statements. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputational harm and other factors.

### Item 1A. Risk Factors

*Investing in our common stock involves a high degree of risk. Before making your decision to invest in shares of our common stock, you should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." We cannot assure you that any of the events described below will not occur. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. If any of the following risks occur, our business, financial condition, operating results, and future prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline, and you could lose all or part of your investment.*

#### Risks Related to Our Financial Position and Need for Additional Capital

***We have incurred significant losses since our inception. We expect to incur losses over at least the next several years and may never achieve or maintain profitability.***

Our net loss was $180.4 million for the fiscal year ended November 30, 2022, and $102.0 million for the nine months ended August 31, 2023. As of August 31, 2023, we had an accumulated deficit of $503.2 million. To date, we have not generated any revenue from product sales and have financed our operations primarily through our collaborations and sales of our equity interests. We are in the early stages of development of our drug candidates. Our lead drug candidates, NX-2127, NX-1607 and NX-5948, are in the early stages of clinical development. We expect to continue to incur significant expenses and increasing operating losses for at least the next several years. We anticipate that our operating expenses and capital expenditure requirements will increase substantially if and as we:

- increase enrollment in and further development of our Phase 1 clinical trials of our drug candidates NX-2127, NX-1607 and NX-5948;
- submit investigational new drug applications (INDs) and initiate clinical trials of our other drug candidates;
- enter advanced clinical development and scale up external manufacturing capabilities to supply clinical trials;
- expand the capabilities of our DELigase platform and apply our DELigase platform to advance additional drug candidates into preclinical and clinical development;
- conduct process development for manufacturing of our products;
- seek marketing approvals for any drug candidates that successfully complete clinical trials;
- prepare for negotiations with the pricing authorities and submission to the health technology appraisal (HTA) bodies;
- ultimately establish a sales, marketing and distribution infrastructure and scale up external manufacturing capabilities to commercialize any products for which we may obtain marketing approval;
- expand, maintain and protect our intellectual property portfolio;
- hire additional clinical, regulatory, manufacturing, quality assurance and scientific personnel; and
- add operational, financial and management information systems and personnel to support our research, product development and future commercialization efforts and support our operations as a public company.

Our expenses could increase beyond our expectations if we are required by the FDA, the European Medicines Agency (EMA) or other regulatory authorities to perform trials in addition to those we currently expect, or if there are any delays in establishing appropriate manufacturing arrangements for or in completing our planned clinical trials or the development of any of our drug candidates.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses we will incur or when, if ever, we will be able to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or even continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

***We have never generated revenue from product sales and may never be profitable.***

We recently commenced clinical development of our drug candidates NX-2127, NX-1607 and NX-5948. We expect that it will be many years, if ever, before we have a drug candidate ready for commercialization. We may never succeed in these activities and, even if we do, may never generate revenues that are significant enough to achieve profitability. To become and remain profitable, we must succeed in developing, obtaining marketing approval for and commercializing products that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of our drug candidates, discovering additional drug candidates, establishing and maintaining arrangements with third parties for the manufacture of clinical supplies of our drug candidates, obtaining marketing approval for our drug candidates and manufacturing, marketing, selling and obtaining reimbursement for any products for which we may obtain marketing approval.

If one or more of the drug candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved drug candidate. Even if we are able to generate revenues from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

***We will need substantial additional funding. If we are unable to raise capital when needed, we may be required to delay, limit, reduce or terminate our research or product development programs or future commercialization efforts.***

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we conduct our Phase 1 clinical trials of NX-2127, NX-1607 and NX-5948, grow our pipeline of drug candidates, expand the breadth of our DELigase platform, continue research and development and initiate additional clinical trials of and potentially seek marketing approval for our lead programs and other drug candidates. In addition, if we obtain marketing approval for any of our drug candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, reimbursement and sales and distribution. Furthermore, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we may be required to delay, limit, reduce or terminate our research, product development programs or any future commercialization efforts or grant rights to develop and market drug candidates that we otherwise would prefer to develop and market ourselves.

We had cash, cash equivalents and marketable securities of $268.7 million as of August 31, 2023. We believe that our existing cash, cash equivalents and marketable securities will be sufficient to fund our operating expenses and capital expenditure requirements through at least the next 12 months. However, our future capital requirements and the period for which we expect our existing resources to support our operations may vary significantly from what we expect, and we may need to seek additional funds sooner than planned. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. Our future capital requirements will depend on many factors, including:

- the progress, costs and results of our Phase 1 clinical trials for NX-2127, NX-1607 and NX-5948 and any future clinical development of such drug candidates;
- the scope, progress, costs and results of preclinical and clinical development for our other drug candidates and development programs;
- the number and development requirements of other drug candidates that we pursue;
- the scope of, and costs associated with, future advancements to our DELigase platform;
- the success of our collaborations with Gilead, Sanofi, Seagen and any other collaborations we may establish;
- the costs, timing and outcome of regulatory review of our drug candidates;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our drug candidates for which we receive marketing approval;

- the revenue, if any, received from commercial sales of our drug candidates for which we receive marketing approval;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims; and
- our ability to establish additional collaboration arrangements with other biotechnology or pharmaceutical companies on favorable terms, if at all, for the development or commercialization of our drug candidates.

We will need to raise substantial additional capital to complete the development and commercialization of our drug candidates. In addition, our drug candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to obtain substantial additional funds to achieve our business objectives. Adequate additional funds may not be available to us on acceptable terms, or at all.

***Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.***

Until such time, if ever, as we can generate substantial revenue from product sales, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. Although we may receive potential future milestone payments under our collaborations with Gilead, Sanofi and Seagen, we do not currently have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our intellectual property, technologies, future revenue streams, research programs or drug candidates or grant licenses on terms that may not be favorable to us.

***Our limited operating history may make it difficult to evaluate the success of our business to date and to assess our future viability.***

We commenced operations in 2009, and our operations to date have been limited to organizing and staffing our company, business planning, raising capital, conducting discovery and research activities, filing patent applications, identifying potential drug candidates, undertaking preclinical studies, establishing arrangements with third parties for the manufacture of initial quantities of our drug candidates and conducting early-stage clinical trials. Our lead drug candidates are in the early stages of clinical development and their risk of failure is high. We have not yet demonstrated our ability to successfully: complete any clinical trials, including large-scale, pivotal clinical trials; obtain marketing approvals; manufacture a commercial-scale product or arrange for a third party to do so on our behalf; or conduct market access, sales, marketing and distribution activities necessary for successful product commercialization. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as an early-stage business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition at some point from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

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

**Risks Related to the Discovery and Development of Our Drug Candidates**

***We are early in our development efforts. Our lead drug candidates, NX-2127, NX-1607 and NX-5948, are in the early stages of clinical development. If we are unable to advance our drug candidates through clinical development, develop, obtain regulatory approval for and commercialize our drug candidates or experience significant delays in doing so, our business may be materially harmed.***

We are early in our development efforts. Our lead drug candidates, NX-2127, NX-1607 and NX-5948, recently entered clinical development and their risk of failure is high. We have invested substantially all of our efforts and financial resources in building our DELigase platform, in the identification and preclinical development of our current drug candidates and in the preparation for and initiation of Phase 1 clinical trials for our lead drug candidates. Our ability to generate revenue from product sales, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of one or more of our drug candidates. The success of our drug candidates will depend on several factors, including the following:

- sufficiency of our financial and other resources;
- successful completion of preclinical studies;
- successful submission of INDs or Clinical Trial Applications and initiation of clinical trials;
- successful patient enrollment in, and completion of, clinical trials;
- receipt and related terms of marketing approvals from applicable regulatory authorities;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our drug candidates as well as obtaining relevant exclusivity extensions (due to the conduct of pediatric studies);
- making arrangements with third-party manufacturers, or establishing manufacturing capabilities, for both clinical and commercial supplies of our drug candidates;
- achieving desirable therapeutic properties for our drug candidates' intended indications;
- establishing sales, marketing and distribution capabilities and launching commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- obtaining and maintaining third-party coverage and adequate reimbursement;
- establishing a continued acceptable safety profile of the products and maintaining such a profile following approval; and
- effectively competing with other therapies.

If we do not successfully achieve one or more of these factors in a timely manner, or at all, we could experience significant delays or an inability to successfully commercialize our drug candidates, which could materially harm our business. Moreover, if we do not receive regulatory approvals, we may not be able to continue our operations.

In addition, we filed for and received an Innovation Passport designation for NX-1607 in the United Kingdom (UK) in February 2022. The Innovation Passport is the mandated entry point to the Innovative Licensing and Access Pathway (ILAP) in the UK to facilitate approval of and market access to an innovative medicine. Grant of the Innovation Passport paves the way for enhanced engagement with key stakeholders such as the Medicines and Healthcare products Regulatory Agency (MHRA), health technology agencies in the UK such as the National Institute for Health and Care Excellence (NICE) or the Scottish Medicines Consortium (SMC) and NHS England. However, although the goal of ILAP and the Innovation Passport is to reduce the time to market and enable earlier patient access, it does not accelerate conduct of clinical trials or mean that the regulatory requirements are less stringent, nor does it ensure that any NX-1607 marketing authorization application (MAA) will be approved or that any approval will be granted within any particular timeframe. Despite receiving an Innovation Passport designation, we may decide to delay or forego the commercialization of NX-1607 in the UK or the development may otherwise not proceed.

***One of our approaches to the discovery and development of drug candidates based on our targeted protein degradation platform is unproven, which makes it difficult to predict the time, cost of development and likelihood of successfully developing any products.***

Treating diseases using targeted protein degradation is a new treatment modality. Our future success depends on the successful development of this novel therapeutic approach. Very few small molecule drug candidates designed to control cellular protein levels, such as our BTK degraders, have been tested in humans, none have been approved in the United States or Europe, and the data underlying the feasibility of developing these therapeutic products is both preliminary and limited. Discovery and development of targeted protein degraders that harness ligases to degrade protein targets have been impeded largely by the complexities and limited understanding of the functions, biochemistry and structural biology of E3 ligases as well as by challenges of engineering compounds that promote protein-protein interactions.

We believe that our targeted protein degrader drug candidates may offer an improved therapeutic approach by removing the disease-causing proteins instead of simply inhibiting their activities. However, the scientific research that forms the basis of our efforts to develop our targeted protein degrader drug candidates is ongoing and the scientific evidence to support the feasibility of developing targeted protein degrader-based therapeutic treatments is both preliminary and limited. Further, certain patients have shown inherent primary resistance to approved BTK inhibitors and other patients have developed acquired secondary resistance to these inhibitors. Both NX-2127 and NX-5948 degrade BTK with mutations that confer resistance to currently marketed BTK inhibitors, and we believe that preliminary data from our ongoing Phase 1 trial of NX-2127 may provide evidence of clinical benefit to patients with such resistance mutations. However, any inherent primary or acquired secondary resistance to our BTK degraders in patients would prevent or diminish their clinical benefit.

We recently initiated clinical development of NX-2127 and NX-5948 and currently we have limited safety data of NX-2127 and NX-5948 in humans. Although some of our drug candidates have produced observable results in animal studies, these drug candidates may not demonstrate the same chemical and pharmacological properties in humans, and may interact with human biological systems in unforeseen, ineffective or harmful ways. As such, there may be adverse effects from treatment with any of our current or future drug candidates that we cannot predict at this time.

Additionally, the regulatory approval process for novel drug candidates such as ours can be more expensive and take longer than for other, better-known or extensively-studied drug candidates. Although other companies are also developing therapeutics based on targeted protein degradation, no regulatory authority has granted approval for any such therapeutic. As a result of these factors, it is more difficult for us to predict the time and cost of targeted protein degrader drug candidate development, and we cannot predict whether targeted protein degradation will result in the development and marketing approval of any products. Any development problems we experience in the future related to any of our targeted protein degrader research programs may cause significant delays or unanticipated costs or may prevent the development of a commercially viable product. Advancing our targeted protein degrader products creates significant challenges for us, including:

- educating medical personnel regarding the potential efficacy and safety benefits, as well as the challenges, of incorporating our drug candidates, if approved, into treatment regimens; and
- establishing the sales and marketing capabilities to gain market acceptance, if approved.

Any of these factors may prevent us from completing our preclinical studies or any clinical trials that we may initiate, or from commercializing any targeted protein degrader drug candidates we may develop on a timely or profitable basis, if at all.

***Drug development is a lengthy and expensive process, with an uncertain outcome. We may incur unexpected costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.***

Our lead drug candidates are in the early stages of clinical development and their risk of failure is high. We are unable to predict when or if any of our drug candidates will prove effective or safe in humans or will receive marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Before we can commence clinical trials for a drug candidate, we must complete extensive preclinical testing and studies that support our planned INDs in the United States or similar applications in other jurisdictions. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA or similar regulatory authorities outside the United States will accept our proposed clinical programs or if the outcome of our preclinical testing and studies ultimately will support the further development of our programs.

Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to the outcome. A failure of one or more clinical trials can occur at any stage of testing. Clinical trials may produce negative or inconclusive results, and we or any future collaborators may decide, or regulators may require us, to conduct additional clinical trials or preclinical studies. We will be required to demonstrate with substantial evidence through adequate and well-controlled clinical trials that our drug candidates are safe and effective for use in treating specific conditions in order to obtain marketing approvals for their commercial sale. Success in preclinical studies and early-stage clinical trials does not mean that any future larger registration clinical trials will be successful because drug candidates in later-stage clinical trials may fail to demonstrate safety and efficacy to the satisfaction of the FDA and non-U.S. regulatory authorities despite having progressed through preclinical studies and early-stage clinical trials. Drug candidates that have shown promising results in preclinical studies and early-stage clinical trials may still suffer significant setbacks in subsequent registration clinical trials. Additionally, the outcome of preclinical studies and early-stage clinical trials may not be predictive of the success of later-stage clinical trials.

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

- we may experience delays in reaching, or may fail to reach, a consensus with regulators on trial design;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate, including as a result of delays in the testing, validation, manufacturing and delivery of drug candidates to the clinical sites by us or by third parties with whom we have contracted to perform certain of those functions;
- we may experience delays in reaching, or may fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- regulators or institutional review boards (IRBs) may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may receive feedback from regulatory authorities that requires us to modify the design of our clinical trials;
- we may face delays under human tissue act legislation and restrictions across various jurisdictions;
- we may experience difficulty in designing clinical trials and in selecting endpoints for diseases that have not been well-studied and for which the natural history and course of the disease is poorly understood;
- the selection of certain clinical endpoints may require prolonged periods of clinical observation or analysis of the resulting data;
- the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our drug candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or IRBs to suspend or terminate the trials;
- we may have to suspend or terminate clinical trials of our drug candidates for various reasons, including a partial or full clinical hold based on a finding that our drug candidates have undesirable side effects or other unexpected characteristics, or that the participants are being exposed to unacceptable health risks;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators or IRBs may require that we or our investigators suspend or terminate clinical trials for various reasons, including noncompliance with regulatory requirements;
- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the cost of clinical trials of our drug candidates may be greater than we anticipate;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate;
- regulators may revise the requirements for approving our drug candidates, or such requirements may not be as we anticipate;
- any future collaborators that conduct clinical trials may face any of the above issues and may also conduct clinical trials in ways they view as advantageous to them but that are suboptimal for us; and

- disruptions caused by macroeconomic, political and market conditions, including supply chain disruptions, may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing clinical trials.

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

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

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

Our product development costs also will increase if we experience delays in preclinical studies or clinical trials or in obtaining marketing approvals. We do not know whether any of our preclinical studies or clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant preclinical study or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates, or could allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our drug candidates, which may harm our business, results of operations, financial condition and prospects.

Further, cancer therapies sometimes are characterized as first-line, second-line or third-line, and the FDA often approves new therapies initially only for third-line or later use, meaning for use after two or more other treatments have failed. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, immunotherapy, radiation therapy, surgery, targeted therapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. Our current and planned clinical trials for our drug candidates NX-2127, NX-1607 and NX-5948 are and will be with patients who have received one or more prior treatments. Subsequently, for those products that prove to be sufficiently beneficial, if any, we may seek approval potentially as a first-line therapy, but any drug candidates we develop, even if approved, may not be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

***If serious adverse events, undesirable side effects or unexpected characteristics are identified during the development of any drug candidates we may develop, we may need to abandon or limit our further clinical development of those drug candidates.***

We have recently begun to evaluate our lead drug candidates in human clinical trials, and there have been very few clinical trials to date involving small molecule drug candidates designed to control cellular protein levels through targeted protein degradation. It is impossible to predict when or if any drug candidates we may develop will prove safe in humans. There is a limited safety data set for the effects of NX-2127, NX-1607 and NX-5948 in animals and we only recently have begun to test the safety of our drug candidates in humans. There can be no assurance that our current drug candidates or any future drug candidate will not cause undesirable side effects. Unforeseen side effects from our drug candidates could arise at any time during preclinical or clinical development.

A potential risk in any protein modulation product is that healthy proteins or proteins not targeted for modulation will be modulated or that the modulation of the targeted protein in itself could cause adverse events, undesirable side effects or unexpected characteristics. It is possible that healthy proteins or proteins not targeted for modulation could be modulated by our drug candidates in any of our current or future preclinical studies or clinical trials. There also is the potential risk of delayed adverse events following treatment with our drug candidates.

If any drug candidates we develop are associated with serious adverse events, or undesirable side effects, or have characteristics that are unexpected, including in preclinical studies, we may need to abandon their development or limit development to certain uses or subpopulations in which the adverse events, undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, any of which would have a material adverse effect on our business, financial condition, results of operations and prospects. For example, increased bleeding risk and cardiac arrhythmia such as atrial fibrillation have been reported side effects of approved BTK inhibitors. Furthermore, NX-1607 could activate the immune response to unsafe levels and may have the potential to induce hypercytokinemia, or cytokine storm, which is the overstimulation of immune cells and subsequent overproduction of their activating compounds. Many drug candidates that initially showed promise in early-stage testing for treating cancer or other diseases later have been found to cause side effects that prevented further clinical development of the drug candidates or limited their competitiveness in the market.

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

The results of preclinical studies may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence may not be predictive of the results of the later-stage clinical trials. In addition, initial success in clinical trials may not be indicative of results obtained when such trials are completed. In particular, the small number of patients in our planned early clinical trials may make the results of these trials less predictive of the outcomes of later clinical trials. For example, even if successful, the results of our initial clinical trials for NX-2127, NX-1607 and NX-5948 may not be predictive of the results of further clinical trials of these drug candidates or any of our other drug candidates. Moreover, preclinical and clinical data often are susceptible to varying interpretations and analyses, and many companies that have believed their drug candidates performed satisfactorily in preclinical studies and clinical trials nonetheless have failed to obtain marketing approval of their products. Our future clinical trials may not ultimately be successful or support further clinical development of any of our drug candidates. There is a high failure rate for drug candidates proceeding through clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving encouraging results in earlier studies and trials. Any such setbacks in our clinical development could materially harm our business, results of operations, financial condition and prospects.

***Interim top-line and preliminary data from our planned clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.***

From time to time, we may publish interim top-line or preliminary data from our planned clinical trials. 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. 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 preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Adverse differences between preliminary or interim data and final data could significantly harm our reputation, business, results of operations, financial condition and prospects.

***If we experience delays or difficulties in enrolling patients in clinical trials, our receipt of necessary marketing approvals could be delayed or prevented.***

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside of the United States. In particular, we are currently conducting Phase 1 clinical trials for each of our lead drug candidates: NX-2127, NX-1607 and NX-5948. We cannot predict how difficult it will be to enroll patients for these trials. Therefore, our ability to identify and enroll eligible patients for our NX-2127, NX-1607 and NX-5948 clinical trials may be limited or may result in slower enrollment than we anticipate. In addition, some of our competitors have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and patients who otherwise would be eligible for our planned clinical trials instead may enroll in clinical trials of our competitors' drug candidates. Moreover, the size of the relevant patient populations for the diseases that our lead drug candidates target is small, and as more companies begin to focus attention and resources on drug candidates to treat the same indications as our drug candidates, we may experience delays or be unable to successfully recruit and enroll a sufficient number of eligible patients in our clinical trials. Patient enrollment is affected by other factors including:

- the severity of the disease under investigation;
- the size of the patient population and process for identifying patients;
- the availability and efficacy of approved medications for the disease under investigation;

- the eligibility criteria for the trial in question;
- the perceived risks and benefits of the drug candidates under study;
- the efforts to facilitate timely enrollment in clinical trials;
- physicians' attitudes and practices with respect to clinical trial enrollment;
- the burden on patients due to inconvenient procedures;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

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

***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 identify for specific indications. As a result, we may forego or delay pursuit of opportunities with 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 products or profitable market opportunities. Our spending on current and future research and development programs and drug candidates for specific indications may not yield any commercially viable products. 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.

***The manufacture of drugs is complex and we and our third-party manufacturers are early in our manufacturing efforts.***

We have established manufacturing relationships with a limited number of suppliers to manufacture raw materials and the drug substance of any drug candidate for which we are currently pursuing, or may in the future pursue, preclinical or clinical development. Our systems for complying with current good manufacturing practices (cGMPs), manufacturing process development with our third-party manufacturers and scale-up are at an early stage. The actual cost to manufacture and process our drug candidates could be greater than we expect and could materially and adversely affect the commercial viability of our drug candidates. Our third-party manufacturers may encounter difficulties in production, including contamination, equipment failure, improper installation or operation of equipment, vendor or operator error, inconsistency in yields, variability in product characteristics and difficulties in scaling the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If any of our third-party manufacturers encounter such difficulties, our ability to provide supply of our current or future drug candidates for clinical trials, our ability to obtain marketing approval or our ability to provide supply of our drug candidates for patients, if approved, could be delayed or stopped.

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

A key element of our strategy is to apply our DELigase platform to address a broad array of targets and new therapeutic areas. The therapeutic discovery activities we are conducting may not be successful in identifying drug candidates that are useful in treating hematologic cancers, immune-mediated diseases or any other diseases. Our research programs initially may show promise in identifying potential drug candidates, yet fail to yield drug candidates for clinical development for a number of reasons, including:

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

Research programs to identify new drug candidates require substantial technical, financial and human resources. We may choose to focus our efforts and resources on a potential drug candidate that ultimately proves to be unsuccessful. If we are unable to identify suitable drug candidates for preclinical and clinical development, we will not be able to obtain revenues from the sale of products in future periods, which likely would result in significant harm to our financial position and adversely impact our stock price.

***We may not be successful in our efforts to expand the breadth of our DELigase platform.***

A key element of our strategy is to expand the capabilities of our DELigase platform and leverage our platform to discover, develop and potentially commercialize additional drug candidates beyond our current portfolio to target diseases in a wide range of organ systems and tissues and treat various disease states. These enhancements require substantial technical, financial and human resources, and may not result in the discovery or development of additional drug candidates or therapies. We may pursue what we believe is a promising opportunity to leverage our platform only to discover that certain of our risk or resource allocation decisions were incorrect or insufficient, or that individual products or our science in general has technology or biology risks that were previously unknown or underappreciated. Our strategy of pursuing the value of our DELigase platform over a long time horizon and across a broad array of human diseases may not be effective. In the event material decisions in any of these areas turn out to be incorrect or sub-optimal, we may experience a material adverse impact on our business and ability to fund our operations and we may never realize what we believe is the potential of our DELigase platform.

***We face substantial competition in an environment of rapid technological change, which may result in others discovering, developing or commercializing products before or more successfully than we do.***

The development and commercialization of new drug products is highly competitive. Moreover, the biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. We face and will continue to face competition from third parties that use protein modulation, antibody therapy, ACT, inhibitory nucleic acid, gene editing or gene therapy development platforms and from companies focused on more traditional therapeutic modalities, such as small molecule inhibitors. The competition is likely to come from multiple sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, government agencies and other public and private research institutions that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

We are aware of several biotechnology companies focused on developing small molecules that degrade target proteins or inhibit E3 ligases, including, but not limited to, Accutar Biotechnology Inc., Arvinas, Inc., BeiGene, Ltd., BioTheryX, Inc., C4 Therapeutics, Inc., Cullgen Inc., Foghorn Therapeutics Inc., HotSpot Therapeutics, Inc., Kymera Therapeutics, Inc. and Monte Rosa Therapeutics, all of which currently are in preclinical or clinical development. In addition, several large pharmaceutical companies have disclosed investments in this field, including AbbVie Inc., Amgen Inc., AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Company, Genentech, Inc., GlaxoSmithKline plc and Novartis International AG. Furthermore, we are aware of at least three other BTK degrader programs in clinical development, including programs from AbbVie Inc., BeiGene, Ltd. and Haisco Pharmaceutical Group Co., Ltd.

Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Further, mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies also may prove to be significant competitors, particularly through collaborative arrangements with large and established companies. All of these competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could prevent us from obtaining the orphan designation in the European Union (EU) and/or in the UK and result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic products. There are generic products currently on the market for certain of the indications that we are pursuing, and additional products are expected to become available on a generic basis over the coming years. If our drug candidates are approved, we expect that they will be priced at a significant premium over competitive generic products.

***If we do not achieve our projected development goals in the time frames we expect and announce, the commercialization of our products may be delayed and, as a result, our stock price may decline.***

From time to time, we estimate the timing of the anticipated accomplishment of various scientific, clinical, regulatory and other product development goals, which we sometimes refer to as milestones. These milestones may include the commencement or completion of scientific studies and clinical trials and the submission of regulatory filings and may be associated with payments from third-party collaborators such as Gilead, Sanofi or Seagen. From time to time, we may publicly announce the expected timing of some of these milestones. All of these milestones are and will be based on numerous assumptions. The actual timing of these milestones can vary dramatically compared to our estimates, in some cases for reasons beyond our control. If we do not meet these milestones as publicly announced, or at all, our revenue may be lower than expected, the commercialization of our products may be delayed or never achieved and, as a result, our stock price may decline.

***Our estimated market opportunities for our drug candidates are subject to numerous uncertainties and may prove to be inaccurate. If we have overestimated the size of our market opportunities, our future growth may be limited.***

Our estimated addressable markets and market opportunities for our drug candidates are based on a variety of inputs, including data published by third parties, our own market insights and internal market intelligence and internally generated data and assumptions. We have not independently verified any third-party information and cannot be assured of its accuracy or completeness. Market opportunity estimates, whether obtained or derived from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove not to be accurate. Although we believe our market opportunity estimates are reasonable, such information is inherently imprecise. In addition, our assumptions and estimates of market opportunities are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including but not limited to those described in this report. If this third-party or internally generated data prove to be inaccurate or if we make errors in our assumptions based on that data, our actual market may be more limited than we estimate it to be. In addition, these inaccuracies or errors may cause us to misallocate capital and other critical business resources, which could harm our business.

**Risks Related to Dependence on Third Parties**

***We expect to depend on collaborations with third parties for the research, development and commercialization of certain of the drug candidates we may develop. If any such collaborations are not successful, we may not be able to capitalize on the market potential of those drug candidates.***

We have sought third-party collaborators for the research, development and commercialization of some of our targeted protein degrader programs. For example, in June 2019 we entered into a collaboration with Gilead; in December 2019 we entered into a collaboration with Sanofi, which was subsequently expanded and amended in January 2021; and in September 2023 we entered into a collaboration with Seagen. Each of the foregoing collaborations requires us to conduct certain research activities. Our likely collaborators for any other collaboration arrangements include large and mid-size pharmaceutical companies, biotechnology companies and universities. These and any future arrangements with third parties limit our control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of any drug candidates we may seek to develop with them. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements. We cannot predict the success of any collaboration that we enter into.

Collaborations involving our research programs or any drug candidates we may develop, including our collaborations with Gilead, Sanofi and Seagen, pose risks to us, including:

- Collaborators have significant discretion in determining the efforts and resources that they will apply to collaborations with us.
- Collaborators may not pursue development and commercialization of any drug candidates we may develop or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding or external factors such as an acquisition or business combination that diverts resources or creates competing priorities.
- Gilead and Sanofi have broad option rights to select up to five targets each, and Seagen has option rights to multiple targets, for exclusive targeted protein degrader development, so long as not excluded by us under the terms of each collaboration, and may select targets we are considering but have not taken sufficient action to exclude under each collaboration.
- Collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing.

- Collaborators could develop independently, or develop with third parties, products that compete directly or indirectly with our products or drug candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours.
- Collaborators with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products.
- Collaborators may not properly obtain, maintain, enforce or defend our intellectual property or proprietary rights or may use our proprietary information in such a way that could jeopardize or invalidate our proprietary information or expose us to potential litigation. For example, Gilead, Sanofi and Seagen have the first right to enforce or defend certain intellectual property rights under the applicable collaboration arrangement with respect to particular licensed programs, and although we may have the right to assume the enforcement and defense of such intellectual property rights if the collaborator does not, our ability to do so may be compromised by their actions.
- Disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our products or drug candidates or that result in costly litigation or arbitration that diverts management attention and resources.
- We may lose certain valuable rights under circumstances identified in our collaborations, including if we undergo a change of control. For example, Sanofi may terminate its agreement with us if we undergo a change of control.
- Collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable drug candidates. For example, each of Gilead, Sanofi and Seagen can terminate its agreement with us in its entirety or with respect to a specific target for convenience upon written notice or in connection with a material breach of the agreement by us that remains uncured for a specified period of time.
- Collaboration agreements may not lead to development or commercialization of drug candidates in the most efficient manner, or at all. For instance, if a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated.

If our collaborations do not result in the successful development and commercialization of products, or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of drug candidates could be delayed, and we may need additional resources to develop drug candidates. In addition, if one of our collaborators terminates its agreement with us, we may find it more difficult to find a suitable replacement collaborator or attract new collaborators, and our development programs may be delayed or the perception of us in the business and financial communities could be adversely affected. All of the risks relating to product development, marketing approval and commercialization described in this report apply to the activities of our collaborators.

We may in the future decide to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of any drug candidates we may develop. These relationships may require us to incur non-recurring and other charges, increase our near- and long-term expenditures, issue securities that dilute the ownership interest of our existing stockholders, or disrupt our management and business. In addition, we could face significant competition in seeking appropriate collaborators, and the negotiation process is time-consuming and complex. Our ability to reach a definitive collaboration agreement will depend upon, among other things, our assessment of the proposed collaborator’s resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator’s evaluation of several factors. If we license rights to any drug candidates we or our collaborators may develop, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture.

***We may seek to establish additional collaborations. If we are not able to establish collaborations on commercially reasonable terms, we may have to alter our development and commercialization plans.***

We plan to continue to selectively pursue collaborations with leading biopharmaceutical companies with development and commercial expertise and capabilities. We face significant competition in attracting appropriate collaborators to advance the development of any drug candidates for which we may seek a collaboration. Whether we reach a definitive agreement for a collaboration will depend upon, among other things, our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of preclinical studies and clinical trials, the likelihood of approval by the FDA or other regulatory authorities, the potential market for the subject drug candidate, the costs and complexities of manufacturing and delivering such drug candidate to patients, the potential of competing products, uncertainty with respect to our ownership of technology (which can exist if there is a challenge to such ownership without regard to the merits of the challenge), the terms of any existing collaboration agreements and industry and market conditions generally. The collaborator also may have the opportunity to collaborate on other drug candidates or technologies for similar indications and will have to evaluate whether such a collaboration could be more attractive than one with us.

Collaborations are complex and time-consuming to negotiate, document and execute. In addition, consolidation among large pharmaceutical companies has reduced the number of potential future collaborators, and we may not be able to locate a suitable collaborator. Any collaboration we enter into may limit our ability to enter into future agreements on particular terms or covering similar target indications with other potential collaborators.

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 drug 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. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms, or at all. If we do not have sufficient funds, we may not be able to further develop our drug candidates or bring them to market and generate revenue from product sales, which could have an adverse effect on our business, financial condition, results of operations and prospects.

***We rely on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for completing such trials.***

We rely on third-party contract research organizations (CROs) to conduct our Phase 1 clinical trial programs for NX-2127, NX-1607 and NX-5948 and we will rely on third-party CROs to conduct any clinical trials for other drug candidates. Agreements with these CROs might terminate for a variety of reasons, including for such CRO's failure to perform. Entry into alternative arrangements, if necessary, could significantly delay our product development activities.

Our reliance on these CROs for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols in the applicable IND. Moreover, the FDA and other foreign regulators such as the EMA and the MHRA require compliance with standards, commonly referred to as GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected.

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

***We rely on third-party contract manufacturing organizations (CMOs) for the manufacture of both drug substance and finished drug product for our drug candidates for preclinical and clinical testing and expect to continue to do so for any future clinical trials and commercialization. This reliance on third parties may increase the risk that we will not have sufficient quantities of our drug candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.***

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We rely on and expect to continue to rely on third-party contract manufacturing organizations (CMOs) for both drug substance and finished drug product, and ACT product. This reliance on CMOs, particularly where one CMO is the sole source of the drug substance or finished drug product, or ACT product, may increase the risk that we will not have sufficient quantities of our drug candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

We may be unable to establish agreements with CMOs or to do so on acceptable terms. Even if we are able to establish agreements with CMOs, reliance on them entails additional risks, including:

- reliance on the CMO for regulatory, compliance and quality assurance;
- the possible breach of the manufacturing agreement by the CMO;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the CMO at a time that is costly or inconvenient for us.

We have only limited technology transfer agreements in place with respect to our drug candidates, and these arrangements do not extend to commercial supply. We acquire many key materials on a purchase order basis. As a result, we do not have long-term committed arrangements with respect to our drug candidates and other materials. If we receive marketing approval for any of our drug candidates, we will need to establish an agreement for commercial manufacture with a third party.

The CMOs we retain may not be able to comply with cGMP regulations or similar regulatory requirements outside of the United States. Our failure, or the failure of our CMOs, to comply with applicable regulations could result in sanctions or other adverse regulatory actions, including untitled or warning letters, clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, failure to approve pending applications, license revocation, seizures or recalls of drug candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products.

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

Our drug candidates and any products that we may develop may compete with other drug candidates and products for access to suitable manufacturing facilities. As a result, we may not obtain access to these facilities on a priority basis or at all. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval or could result in withdrawal of marketing approval. We do not currently have arrangements in place for redundant supply or a second source for bulk drug substance. If our current CMOs cannot perform as agreed, we may be required to replace such manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture our drug candidates, we may incur added costs and delays in identifying and qualifying any such replacement manufacturer or may not be able to reach agreement with any alternative manufacturer.

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

***Some of our suppliers may experience disruption to their respective supply chain due to the effects of macroeconomic conditions, which could delay, prevent or impair our development or commercialization efforts.***

We obtain certain chemical or biological intermediates in the synthesis of our drug candidates and NHPs for toxicology testing in countries affected by macroeconomic events and conditions, including inflation, increasing interest rates, uncertainty with respect to the federal budget and debt ceiling, increasing financial market volatility and uncertainty, the impact of war or military conflict, including regional conflicts around the world, and public health pandemics. If we are unable to obtain these chemical or biological intermediates or NHPs in sufficient quantity and in a timely manner due to disruptions in the global supply chain caused by macroeconomic events and conditions, the development, testing and clinical trials of that drug candidate may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

***Our CMOs may be unable to successfully scale-up manufacturing of our drug candidates in sufficient quality and quantity, which would delay or prevent us from developing our drug candidates and commercializing approved products, if any.***

In order to conduct clinical trials of our drug candidates, we will need to manufacture our drug candidates in large quantities. Quality issues may arise during scale-up activities. Our reliance on a limited number of CMOs, the complexity of drug manufacturing and the difficulty of scaling up a manufacturing process could cause the delay of clinical trials, regulatory submissions, required approvals or commercialization of our drug candidates, cause us to incur higher costs and prevent us from commercializing our drug candidates successfully. Furthermore, if our CMOs fail to deliver the required commercial quality and quantities of materials on a timely basis and at commercially reasonable prices, and we are unable to secure one or more replacement CMOs capable of production in a timely manner at a substantially equivalent cost, then testing and clinical trials of that drug candidate may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

**Risks Related to the Commercialization of Our Drug Candidates**

***Even if any of our drug candidates receive marketing approval, a drug candidate 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.***

If any of our drug candidates receive marketing approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, ibrutinib is a well-established current treatment for CLL, and doctors may continue to rely on this and other treatments. If our drug candidates do not achieve an adequate level of acceptance, we may not generate sufficient revenue from product sales 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 potential advantages compared to alternative treatments;
- the prevalence and severity of any side effects, in particular compared to alternative treatments;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of our marketing, sales and distribution support;
- the availability of third-party payor coverage and adequate reimbursement;
- the ability to secure a positive HTA recommendation for the product to be prescribed and reimbursed under the national health system;
- the timing of any marketing approval in relation to other product approvals; and
- any restrictions on the use of our products together with other medications.

***If we are unable to establish sales and marketing capabilities, we may not be successful in commercializing our drug candidates if and when they are approved.***

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of biopharmaceutical products. To achieve commercial success for any product for which we obtain marketing approval, we will need to establish sales, marketing and distribution capabilities, either by ourselves or through collaboration or other arrangements with third parties.

We currently expect that we may build our own focused, specialized sales and marketing organization to support the commercialization in the United States of drug candidates for which we receive marketing approval and which can be commercialized with such capabilities. There are risks involved with establishing our own sales and marketing capabilities. For example, recruiting and training a sales force is expensive and time-consuming and could delay any product launch. If the commercial launch of a drug candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have incurred these commercialization expenses prematurely or unnecessarily. These efforts may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

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

- our inability to recruit, train and retain adequate numbers of effective sales, marketing, reimbursement, customer service, medical affairs and other support personnel;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we are unable to establish our own sales and marketing capabilities or enter into arrangements with third parties to perform these services, our revenue from product sales and our profitability, if any, are likely to be lower than if we ourselves were to market and sell any products that we develop. In addition, we may not be successful in entering into arrangements with third parties to market and sell our drug candidates or may be unable to do so on terms that are acceptable to us. Any of these third parties may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our drug candidates.

***Even if we are able to commercialize any drug candidates, the products may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm our business.***

The regulations that govern marketing approvals, pricing, coverage and reimbursement for new drug products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. 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 product licensing approval is granted. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our drug candidate to other available therapies. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a drug candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenues, if any, we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain marketing approval.

Our ability to commercialize any drug candidates successfully also will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government healthcare programs, private health insurers, national health technology assessment authorities in Europe and other organizations, and if reimbursement and coverage is available, the level of reimbursement and coverage. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A key focus in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, government authorities and third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Coverage and reimbursement may not be available for any product that we commercialize and, even if these are available, the level of reimbursement may not be sufficient to cover our costs. Reimbursement may affect the demand for, or the price of, any drug candidate for which we obtain marketing approval. Obtaining and maintaining adequate reimbursement for our products may be difficult. We may be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies. If coverage and adequate reimbursement are not available or reimbursement is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases, across the entire eligible patient population, as a first-line treatment or at a rate that covers our costs, including research, development, intellectual property, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, also may not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs, may take into account comparative cost-effectiveness, in particular in European jurisdictions, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

***Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.***

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

- decreased demand for any drug candidates or products that we may develop;
- termination of clinical trials;
- withdrawal of marketing approval, recall, restriction on the approval or a “black box” warning or contraindication for an approved drug;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- injury to our reputation and significant negative media attention;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

Although we maintain product liability insurance coverage, it may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our product liability insurance coverage as we initiate our clinical trials, as we expand our clinical trials and if we commence commercialization of our drug candidates. Insurance coverage is increasingly expensive. We may not be able to maintain or increase our insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

**Risks Related to Our Intellectual Property**

***If we are unable to obtain and maintain patent protection for our technology, our current drug candidates and any future drug candidates that we may develop, or if the scope of the patent protection obtained is not sufficiently broad, our competitors and other third parties could develop and commercialize technology and drug candidates similar or identical to ours, and our ability to successfully commercialize our technology and drug candidates may be impaired, and we may not be able to compete effectively in our market.***

Our commercial success depends, in large part, on our ability to obtain and maintain patent and other intellectual property and proprietary protection in the United States and other countries with respect to our drug candidates and proprietary technology. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel technologies and drug candidates. If we are unable to obtain or maintain patent protection with respect to our proprietary drug candidates and technology or do not otherwise adequately protect our intellectual property, competitors and other third parties may be able to use our drug candidates and technologies and erode or negate any competitive advantage that we may have, which could have a material adverse effect on our business. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors and other third parties to quickly duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Moreover, the patent applications we own, co-own or license may fail to result in issued patents that cover our current and future drug candidates in the United States or in other foreign countries. Our patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless, and until, a patent issues from such applications, and then only to the extent the issued claims cover the technology. If the patent applications we hold with respect to our development programs and drug candidates fail to issue, if their breadth or strength of protection is threatened or if they fail to provide meaningful exclusivity for our current and future drug candidates, it could have a material adverse effect on our ability to commercialize our drug candidates and our business.

To protect our proprietary positions, we file patent applications in the United States and other countries related to our novel technologies and drug candidates that are important to our business. The patent application and prosecution process is expensive, complex and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications in all potential jurisdictions at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. We may not be able to obtain or maintain patent applications and patents due to the subject matter claimed in such patent applications and patents being in the public domain. It is possible that defects of form in the preparation or filing of our patents or patent applications may exist, or may arise in the future, such as with respect to proper priority claims, inventorship, claim scope or patent term adjustments, and it is possible that we may be unable to correct such defects. If any current or future licensors or licensees are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised and we might not be able to prevent third parties from making, using and selling competing products. If there are material defects in the form or preparation of our patents or patent applications, such patents or applications may be invalid and unenforceable. Moreover, our competitors and other third parties may independently develop equivalent knowledge, methods and know-how, or design around our claimed subject matter. Any of these outcomes could impair our ability to prevent competition from third parties.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, the protections offered by laws of different countries vary and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. For example, European patent law and jurisprudence restricts the patentability of methods of treatment of the human body more than United States law does. No consistent policy regarding the breadth of claims allowed in biotechnology and pharmaceutical patents has emerged to date in the United States or in many foreign jurisdictions. In addition, the determination of patent rights with respect to pharmaceutical compounds and technologies commonly involves complex legal and factual questions, which have in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights, whether owned or in-licensed, are highly uncertain.

We may not be aware of all third-party intellectual property rights potentially relating to our current and future drug candidates. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions typically are not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patents or pending patent applications, or that we or our licensors were the first inventors to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications, whether owned or in-licensed, may not result in patents being issued that protect our technology or drug candidates, in whole or in part, or that effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. Moreover, we may be subject to a third-party submission of prior art to the United States Patent and Trademark Office (USPTO) challenging the validity of one or more claims of our owned or licensed pending patent applications, precluding the granting of a patent based on one of our owned or licensed pending patent applications. We may become involved in opposition, derivation, reexamination, *inter partes* review, post-grant review or other post-grant proceedings, in the United States or elsewhere, challenging our or our licensors' patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or drug candidates and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights, which could significantly harm our business and results of operations. Such challenges may result in loss of patent rights, exclusivity or freedom to operate, or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and drug candidates, or limit the duration of the patent protection of our technology and drug candidates. Such proceedings also may result in substantial cost and require significant time from our scientific personnel and management, even if the eventual outcome is favorable to us. In addition, any threat to the breadth or strength of protection provided by our patents and patent applications could dissuade companies from collaborating with us to license, develop or commercialize current or future drug candidates.

Even if our patent applications issue as patents and are unchallenged, they may not issue in a form that will provide us with any meaningful protection against competing products or processes sufficient to achieve our business objectives, prevent competitors and other third parties from competing with us or otherwise provide us with any competitive advantage. Our competitors and other third parties may be able to design around or circumvent our patents, should they issue, by developing similar or alternative technologies or products in a non-infringing manner. Our competitors and other third parties may seek approval to market their own products similar to or otherwise competitive with our products. In these circumstances, we may need to defend and/or assert our patents, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or other agency with jurisdiction may find our patents invalid and/or unenforceable. If the patent protection provided by the patents and patent applications we own or license is not sufficiently broad to impede such competition, our ability to successfully commercialize our drug candidates could be negatively affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

While the issuance of a patent creates a presumption of validity of the patent, it is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. 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 patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Any of the foregoing could have a material adverse effect on our business.

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

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity, and therefore is costly, time-consuming and inherently uncertain. Past or future patent reform legislation in the United States and other countries could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents, may diminish the value of our patents or narrow the scope of our patent protection and may affect the scope, strength and enforceability of our patent rights or the nature of proceedings that may be brought by or against us related to our patent rights.

Additionally, recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained. Depending on decisions by the U.S. Congress, the U.S. federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. Any of the foregoing, including any similar adverse changes in the patent laws of other jurisdictions, could also have a material adverse effect on our business, financial condition, results of operations and prospects.

***Even if we are able to obtain patent protection for our drug candidates, the life of such protection is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights and our ability to successfully commercialize any product or technology would be materially adversely affected.***

The life of a patent and the protection it affords is limited. For example, in the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non provisional filing date. Even if we successfully obtain patent protection for an approved drug candidate, it may face competition from generic or biosimilar medications. Manufacturers of generic or biosimilar drugs may challenge the scope, validity or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would materially adversely affect any potential sales of that product.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Even if we believe we are eligible for certain patent term extensions, there can be no assurance that the applicable authorities, including the FDA and the USPTO in the United States and national patent offices in Europe, and any equivalent regulatory authority in other countries, will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we request. Upon the expiration of patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and other third parties, which would materially adversely affect our business, financial condition, results of operations and prospects.

***We may need to license intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.***

A third party may hold intellectual property, including patent rights, that are important or necessary to the development of our drug candidates. It may be necessary for us to use the patented or proprietary technology of a third party to commercialize our own technology or drug candidates, in which case we would be required to obtain a license from such third party. A license to such intellectual property may not be available or may not be available on commercially reasonable terms, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, also may be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our drug candidates. More established companies may have a competitive advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. We may not be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding the additional drug candidates we may seek to acquire.

***Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on our business.***

Our commercial success depends, in part, upon our ability, and the ability of our collaborators to develop, manufacture, market and sell our drug candidates and future drug candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties.

Numerous third-party U.S. and non-U.S. issued patents exist in the area of biotechnology, including in the area of targeted protein degraders and including patents owned or controlled by our competitors. There is considerable and complex intellectual property litigation in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including interference, reexamination and *inter partes* review proceedings before the USPTO and oppositions and other comparable proceedings in foreign jurisdictions. We may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our drug candidates, future drug candidates and technology, including interference, derivation, reexamination or *inter partes* review proceedings before the USPTO. Our competitors or other third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future and claims may also come from competitors or other third parties against whom our own patent portfolio may have no deterrent effect. The outcome of intellectual property litigation is subject to uncertainties that cannot be adequately quantified in advance. Other parties may allege that our drug candidates or the use of our technologies infringe patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization.

As we continue to develop and, if approved, commercialize our current and future drug candidates, competitors or other third parties may claim that our technology infringes, misappropriates or otherwise violates their intellectual property rights. There are and may in the future be additional U.S. and foreign-issued patents and pending patent applications owned by third parties in the fields in which we are pursuing drug candidates. For example, we are aware of a patent owned by a third party with a claim that covers many potential targeted protein degraders. This patent may be alleged to cover one or more of our targeted protein degrader drug candidates, including our NX-2127 and NX-5948 drug candidates. While we believe that we have valid defenses against any assertion of such patent against us, such defenses may be unsuccessful. If we are unsuccessful and any of our targeted protein degrader drug candidates is found to infringe this patent, we could be required to obtain a license to such patent or forced to permanently cease developing, manufacturing, marketing and commercializing the infringing targeted protein degrader drug candidate. We may not be able to obtain any required license on commercially reasonable terms or at all, and even if we were able to obtain a license, it could be non-exclusive, thereby giving the licensor and other third parties the right to use the same technologies licensed to us, and it could require us to make substantial licensing, royalty and other payments. We also could be forced, including by court order, to permanently cease developing, manufacturing, marketing and commercializing the drug candidate. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys' fees, if we are found to have willingly infringed any such patent. Even if we were ultimately to prevail, any litigation could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

Moreover, as the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our drug candidates may give rise to claims of infringement of the patent rights of others. There may be third-party patents of which we are currently unaware with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our drug candidates or we may incorrectly conclude that a third-party patent is invalid, unenforceable or not infringed by our activities. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our drug candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents.

Patent and other types of the intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. If we are found, or believe there is a risk we may be found, by a court of competent jurisdiction to infringe, misappropriate or otherwise violate a third party's intellectual property rights, we could be required or may choose to obtain a license from such third party to continue developing and marketing our products and technology. However, we may not be able to obtain any such license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing, royalty or other payments. Without such a license, we could be forced, including by court order, to cease using, producing or commercializing the infringing technology or drug candidate. In addition, we could be found liable for monetary damages, which could be significant, including treble damages and attorneys' fees if we are found to have willfully infringed a patent or other intellectual property right. A finding of infringement could prevent us from producing or commercializing our drug candidates or future drug candidates or force us to cease some of our business operations, which could materially harm our business. Alternatively, we may need to redesign our infringing products, which may be impossible or require substantial time and monetary expenditure, including due to any additional or separate regulatory approval to which the redesigned products may be subject by regulatory authorities. If we lose a foreign patent lawsuit alleging our infringement of a competitor's patents, we could be prevented from marketing our therapeutics in one or more foreign countries and/or be required to pay monetary damages for infringement or royalties in order to continue marketing. Claims that we have misappropriated the confidential information, trade secrets or other intellectual property of third parties could have a similar negative impact on our business. Any of these outcomes would have a material adverse effect on our business.

Further, we do not know which processes we will use for commercial manufacture of our future products, or which technologies owned or controlled by third parties may prove important or essential to those processes. Many companies have filed, and continue to file, patent applications related to novel protein modulation therapies that target disease-causing proteins and many companies have filed and continue to file patent applications related to ACT. Some of these patent applications have already been allowed or issued and others may issue in the future. Because this area is competitive and of strong interest to pharmaceutical and biotechnology companies, there likely will be additional patent applications filed and additional patents granted in the future, as well as additional research and development programs expected in the future. Furthermore, because patent applications can take many years to issue, may be confidential for 18 months or more after filing and can be revised before issuance, there may be applications now pending that we are not aware of that may later result in issued patents that may be infringed by the manufacture, use, sale or importation of our drug candidates or future products. If a patent holder believes the manufacture, use, sale, offer for sale or importation of one of our drug candidates or future products infringes its patent, the patent holder may sue us even if we have licensed other patent protection for our technology. Moreover, we may face patent infringement claims from non-practicing entities that have no relevant product revenue and against whom our licensed patent portfolio may therefore have no deterrent effect.

It is also possible that we have failed to identify all relevant third-party patents or applications. Patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. We may fail to identify relevant patents or patent applications or may identify pending patent applications of potential interest but incorrectly predict the likelihood that such patent applications may issue with claims of relevance to our technology. In addition, we may be unaware of one or more issued patents that would be infringed by the manufacture, sale, importation or use of a current or future drug candidate, or we may incorrectly conclude that a third-party patent is invalid, unenforceable or not infringed by our activities. Additionally, pending patent applications that have been published can, subject to certain limitations, later be amended in a manner that could cover our technologies, our future products or the manufacture or use of our future products.

Third parties may assert infringement claims against us based on existing intellectual property rights and intellectual property rights that may be granted in the future. If we were to challenge the validity of an issued U.S. patent in court, such as an issued U.S. patent of potential relevance to some of our drug candidates or future drug candidates or manufacture or methods of use, we would need to overcome a statutory presumption of validity that attaches to every U.S. patent. This burden is a high one and in order to prevail, we would have to present clear and convincing evidence as to the invalidity of the patent's claims. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity or enforceability by invalidating the claims of any such U.S. patent or finding that our drug candidates or technology did not infringe any such claims.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may be time-consuming, cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities and ongoing business operations. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our future products or processes. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. Unlike some of our larger competitors and other third parties, we may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. Uncertainties resulting from the litigation of patent litigation and other proceedings could delay our research and development efforts, adversely affect our ability to raise additional funds and could limit our ability to continue our operations. Any of the foregoing could have a material adverse effect on our business.

***We may be subject to claims by third parties asserting that we or our employees, consultants, contractors or advisors have misappropriated, wrongfully used or disclosed alleged trade secrets or other intellectual property, or claiming ownership of what we regard as our own intellectual property.***

We employ individuals who were previously employed at universities as well as other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We have received confidential and proprietary information from collaborators, prospective licensees and other third parties. Although we try to ensure that our employees, consultants and advisors do not improperly use the proprietary information or know-how of others in their work for us, we may be subject to claims that these individuals or we have inadvertently or otherwise improperly used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. We also may in the future be subject to claims that we have caused such individual to breach the terms of his or her non-competition or non-solicitation agreement or from former employers or other third parties claiming to have an ownership interest in our patents or other intellectual property. Litigation may be necessary to defend against these claims. We may not be successful in defending these claims, and if we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. In addition, we may lose personnel as a result of such claims and any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent contractors. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our drug candidates, which would have a material adverse effect on our business, results of operations, financial condition and prospects. Even if we are successful, litigation could result in substantial cost and reputational loss and be a distraction to our management and other employees.

In addition, although it is our policy to require our employees, consultants and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Moreover, even when we obtain agreements assigning intellectual property to us, such assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements with us may have preexisting or competing obligations to a third party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual. In addition, we or our licensors may in the future be subject to claims by former employees, consultants or other third parties asserting an ownership right in our owned or licensed patents or patent applications. An adverse determination in any such litigation or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar technology and therapeutics, without payment to us, or could limit the duration of the patent protection covering our technology and drug candidates. Such challenges may also result in our inability to develop, manufacture or commercialize our drug candidates without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our owned or licensed patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future drug candidates. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Competitors or other third parties may infringe our patents, the patents of our licensors or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which, regardless of merit, can be expensive, time-consuming, unpredictable and divert the time and attention of our management and scientific personnel. Any claims we assert against perceived infringers could provoke those parties to assert counterclaims against us alleging that we infringe their patents or other intellectual property. In addition, in a patent infringement proceeding, a court may decide that a patent of ours or our licensors is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. Grounds for a validity challenge could include an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, written description, non-enablement or failure to claim patent-eligible subject matter. Grounds for an unenforceability assertion could include an allegation that someone connected with prosecution of the patent withheld information material to patentability from the USPTO, or made a misleading statement, during prosecution. Third parties also may raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include reexamination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions. Such proceedings could result in the revocation or cancellation of or amendment to our patents in such a way that they no longer cover our drug candidates or prevent third parties from competing with our drug candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which the patent examiner and we or our licensing partners were unaware during prosecution. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we could lose at least part, and perhaps all, of the patent protection on our drug candidates. An adverse result in any litigation or proceeding involving our patents or patent applications may put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly.

Even if we successfully assert our patents or other intellectual property rights, a court may not award remedies that sufficiently compensate us for our losses. The impact of public announcements of the results of hearings related to such awards on the price of our common stock may be uncertain. If securities analysts or investors perceive such results to be negative, it could have a substantial adverse effect on the price of our common stock. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Some of our competitors or other third parties may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel for significant periods of time during such litigation could outweigh any benefit we receive as a result of the proceedings. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or successfully challenging our intellectual property rights. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our business, financial condition, results of operations and prospects.

***We may not be able to pursue or guarantee protection of our intellectual property rights in jurisdictions outside the United States.***

Filing, prosecuting and defending patents on drug candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than those in the United States. In some cases, we may not be able to obtain patent protection for certain technology and drug candidates outside the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States, even in jurisdictions where we do pursue patent protection. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, even in jurisdictions where we do pursue patent protection, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors or other third parties may use our technologies in jurisdictions where we have not pursued and obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our drug candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

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

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

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

Periodic maintenance, renewal and annuity fees and various other government fees on any issued patent are due to be paid to the USPTO and patent offices in foreign countries in several stages over the lifetime of the patent. The USPTO and patent offices in various foreign countries require compliance with a number of procedural, documentary, fee payment and other similar requirements during the patent application process and throughout the life of a granted patent. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of a patent or patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors or other third parties might be able to enter the market, which would have a material adverse effect on our business.

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

In addition to seeking patents for some of our technology and drug candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, and confidentiality agreements to maintain our competitive position. However, trade secrets can be difficult to protect. We seek to protect our trade secrets, proprietary technology and processes, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Monitoring unauthorized uses and disclosures of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be effective. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is expensive, time-consuming and difficult to prove and the outcome is unpredictable. In addition, some courts inside and outside of the United States may be less willing or unwilling to protect trade secrets. As a result, we could lose our trade secrets and third parties could use our trade secrets to compete with our drug candidates and technology.

We cannot guarantee that we have entered into such agreements with each party that may have or had access to our trade secrets or proprietary technology and processes. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems; however, such systems and security measures may be breached, and we may not have adequate remedies for any breach.

Moreover, our competitors or other third parties may independently develop knowledge, methods and know-how equivalent to our trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third parties, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third parties, our competitive position would be harmed.

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

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

- others may be able to make products that are similar to any drug candidates we may develop or utilize similar technology but that are not covered by the claims of the patents that we own or license now or in the future, or may develop drug candidates for the diseases our drug candidates seek to treat that do not infringe on our intellectual property rights, but which perform better or are more successful than our drug candidates;
- drug candidates utilizing issued patents and other intellectual property that we hold may prove to be ineffective for their intended treatment or we may not obtain regulatory approval for such drug candidates;
- we, or our current or future license partners or collaborators, might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or license now or in the future;
- we, or our current or future license partners or collaborators, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;
- it is possible that our pending owned patent applications or those that we may own or license in the future will not lead to issued patents;
- issued patents that we may hold rights to in the future may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

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

**Risks Related to Regulatory Approval and Marketing of Our Drug Candidates**

***The regulatory approval process of the FDA and other national or European regulators is lengthy, time-consuming and inherently unpredictable, and if we are ultimately unable to obtain marketing approval for our drug candidates, our business will be substantially harmed.***

The time required to obtain approval by the FDA and other national or European regulators is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate's clinical development and may vary among jurisdictions. We have not obtained marketing approval for any drug candidate and it is possible that none of our existing drug candidates, or any drug candidates we may seek to develop in the future, will ever obtain marketing approval.

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

- the FDA may disagree with our interpretation of data from preclinical studies or clinical trials;
- the FDA may disagree with the design or implementation of our planned clinical trials;

- data collected from clinical trials of our drug candidates may not be sufficient to support the submission of an NDA to the FDA or other submissions necessary to obtain marketing approval in the United States;
- we may be unable to demonstrate to the satisfaction of the FDA that a drug candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA for approval;
- we may be unable to demonstrate that our drug candidates' clinical and other benefits outweigh their safety risks;
- the FDA may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA may significantly change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process, as well as the unpredictability of future clinical trial results, may result in our failing to obtain regulatory approval to market any of our drug candidates, which would significantly harm our business, results of operations, financial condition and prospects. The FDA has substantial discretion in the approval process, and in determining when or whether regulatory approval will be obtained for any of our drug candidates. Even if we believe the data collected from clinical trials of our drug candidates are promising, such data may not be sufficient to support approval by the FDA.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, or they may impose significant limitations in the form of narrow indications, warnings or a risk evaluation and mitigation strategy (REMS). In addition, regulatory authorities may not approve the price we intend to charge for our products, may require precautions or contra-indications with respect to conditions of use, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that drug candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our drug candidates.

***We may submit an NDA for our drug candidates under the Accelerated Approval pathway. If we are unable to obtain approval of our drug candidates through the Accelerated Approval Program in the United States, we may be required to conduct additional nonclinical and clinical studies and trials beyond those that we currently contemplate, which could increase the expense of obtaining, reduce the likelihood of obtaining and/or delay the timing of obtaining, necessary marketing approval. Even if we receive approval from the FDA through the Accelerated Approval Program, if our confirmatory postmarketing trial does not verify clinical benefit, or if we do not comply with rigorous postmarketing requirements, the FDA may seek to withdraw the approval.***

We may submit an NDA for one or more of our drug candidates seeking approval through the Accelerated Approval Pathway. For any approval to market a drug product, we must provide the FDA and foreign regulatory agencies with clinical data that adequately demonstrate the safety and efficacy of the product for the indication applied for in the NDA or other respective regulatory filings. The Accelerated Approval Program is one of several approaches used by the FDA to make prescription drugs more rapidly available for the treatment of serious or life-threatening diseases. Section 506(c) of the Federal Food, Drug and Cosmetic Act (FDCA) provides that the FDA may grant Accelerated Approval to "a product for a serious or life-threatening condition upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, 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." Approval through the Accelerated Approval Program is subject, however, to the requirement that the applicant conduct additional postmarketing clinical trials to verify and describe the drug's clinical benefit, where there is uncertainty as to the relationship of the surrogate endpoint to the clinical benefit, or of the observed clinical endpoint to ultimate outcome. Typically, clinical benefit is verified when postmarketing clinical trials show that the drug provides a clinically meaningful positive therapeutic effect, that is, an effect on how a patient feels, functions, or survives. The FDA may require that these studies be underway prior to Accelerated Approval pursuant to the Food and Drug Omnibus Reform Act of 2022. If such confirmatory trials fail to confirm the drug's clinical profile or risks and benefits, the FDA may withdraw its approval of the drug.

The FDA has broad discretion with regard to approval through the Accelerated Approval Program, and even if we believe that the Accelerated Approval Program is appropriate for one of our drug candidates, we cannot assure you that the FDA will ultimately agree. The FDA may also change its policies with respect to Accelerated Approval over time. For example, in March 2023, the FDA announced the availability of draft guidance on "Clinical Trial Considerations to Support Accelerated Approval of Oncology Therapeutics," in which the agency outlined, and invited public comment on, its "preferred approach" of randomized controlled trials, including those that provide for longer term follow-up that could fulfill a postmarketing requirement to verify clinical benefit. In that draft guidance, the FDA acknowledged that historically, single-arm trial designs and response endpoints have most commonly been used in oncology, but noted that such trials have limitations. Furthermore, even if we do obtain approval through the Accelerated Approval Program, we may not experience a faster development process, review or approval compared to conventional FDA procedures.

Even if the FDA reviews an NDA seeking Accelerated Approval, there can be no assurance that approval will be granted on a timely basis, or at all. The FDA may disagree that the design of, or results from, our studies support Accelerated Approval. Additionally, the FDA could require us to conduct further studies or trials prior to granting approval of any type, including by determining that approval through the Accelerated Approval Program is not appropriate and that our clinical trials may not be used to support approval through the conventional pathway. We might not be able to fulfill the FDA's requirements in a timely manner, which would cause delays, or approval might not be granted because our submission is deemed incomplete by the FDA. There also can be no assurance that after subsequent FDA feedback we will continue to pursue approval through the Accelerated Approval Program. A failure to obtain approval through the Accelerated Approval Program could result in a longer time period to obtain approval of our drug candidates, could increase the cost of their development, could delay our ability to commercialize our products and could significantly harm our financial position and competitive position in the marketplace.

Even if we receive approval for one or more of our drug candidates through the Accelerated Approval Program, we will be subject to rigorous postmarketing requirements, including the completion of one or more confirmatory postmarketing trials as the FDA may require, to verify the clinical benefit of the product, and submission to the FDA of all promotional materials prior to their dissemination. The FDA could seek to withdraw the approval for multiple reasons, including if we fail to conduct any required confirmatory postmarketing trial with due diligence, our confirmatory postmarketing trial does not confirm the predicted clinical benefit, other evidence shows that the product is not safe or effective under the conditions of use, or we disseminate promotional materials that are found by the FDA to be false and misleading.

Moreover, Congress is considering potential changes to the Accelerated Approval Program that could impact our ability to obtain Accelerated Approval, or increase the burdens associated with postmarketing requirements in the event we do obtain Accelerated Approval. In particular, the FDA must specify certain conditions for required postapproval studies for products that receive Accelerated Approval, which may include enrollment targets and milestones, including the target date for study completion, by the time the drug is approved. The FDA may also require postapproval studies to be underway at the time of Accelerated Approval or within a specified time period following Accelerated Approval for such drugs, and must explain any instances where it does not require such studies.

Any delay in obtaining, or inability to obtain, approval through the Accelerated Approval Program, or any issues in maintaining approval granted under the Accelerated Approval Program, would delay or prevent commercialization of our products, and would materially adversely affect our business, financial condition, results of operations and prospects.

***We, as a company, have limited experience in filing for and obtaining regulatory approval to initiate a clinical trial and we do not have experience completing any clinical trials, including large-scale, pivotal clinical trials or in manufacturing or in quality assurance in order to market a new drug in the United States or in any other jurisdiction.***

As a company, we have limited experience in filing for or obtaining regulatory approval to initiate clinical trials, we do not have experience completing any clinical trials, including large-scale, pivotal clinical trials and we rely on third parties to conduct our clinical trials. We also do not have experience in manufacturing or in quality assurance in order to market a new drug and expect to rely on CROs or other third-party consultants or vendors to assist us in this process. Our inexperience may result in failure to or delays in obtaining the required regulatory approvals to initiate clinical trials, to successfully complete clinical trials and to obtain marketing approval for our drug candidates. If we are unable to obtain regulatory and marketing approval for our drug candidates or experience significant delays in our efforts to do so, our business could be substantially harmed.

***Failure to obtain marketing approval in foreign jurisdictions would prevent our drug candidates from being marketed abroad and may limit our ability to generate revenue from product sales.***

To market and sell our drug candidates in jurisdictions outside the United States, we 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 approvals from foreign regulatory authorities may differ substantially from that required to obtain FDA approval. The regulatory 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, we must secure product reimbursement approvals before regulatory authorities will approve the product for sale in that country. Failure to obtain foreign regulatory approvals on a timely basis or non-compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our drug candidates in certain countries. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any jurisdiction, which would materially impair our ability to generate revenue.

The UK's exit from the EU continues to create political and economic uncertainty, particularly in the UK and the EU. The UK is now being treated as a 'third country' by the EU. Although UK legislation has retained existing EU law, new UK legislation is being drafted and the UK has not retained new EU law, including the Clinical Trials Regulation (EU) No 536/2014. This means that some regulatory activities, such as batch testing and Qualified Person certification, conducted in Great Britain are no longer recognized in the EU; although the UK accepts the batch testing data carried out in many third countries with recognized equivalent high standards to avoid delays and supply disruption due to re-testing. However, the UK and EU have concluded a Trade and Cooperation Agreement (TCA), which has been approved by the UK Parliament, European Council and European Parliament and has limited the disruption to the supply of medicines, particularly by enabling tariff and quota-free trade between the UK and the EU (provided that the rules of origin requirements are met), and has streamlined some issues, for example by enabling mutual recognition of cGMP inspections and certificates. The regulatory framework for medicines that existed before the end of the transition period has also effectively been preserved in UK domestic legislation as 'retained EU law.' By retaining a snapshot of EU legislation at its core, the UK has prevented substantial divergence in the regulation of medicines (although divergence has appeared in some areas). However, some changes to the UK legislation have been immediately necessary, including the implementation of the Northern Ireland Protocol (NIP), pursuant to which, the EU pharmaceutical legal framework acquis continues to apply in Northern Ireland (subject to periodic consent of the Northern Ireland Legislative Assembly), and only products compliant with EU law can be placed in the Northern Ireland market—adding an extra layer of regulatory complexity. As a result, companies now need to comply with a separate UK regulatory legal framework in order to commercialize medicinal products in Great Britain (namely, England, Wales and Scotland, as EU law continues to apply in Northern Ireland). The UK government has attempted to renegotiate fundamental aspects of the NIP so this is an unpredictable area for companies in the near future. Failed attempts to renegotiate the NIP have led to media reports of the UK potentially triggering Article 16 of the NIP, a safeguarding measure, that may be engaged unilaterally if the application of the NIP leads to serious economic, societal or environmental difficulties that are liable to persist, or to diversion of trade. The UK government has introduced the Northern Ireland Protocol Bill which, if enacted into law, would enable the government to unilaterally disapply parts of the NIP which may lead to changes to the regulatory environment in Northern Ireland, and may trigger retaliatory measures against the UK by the EU. The UK government reached a new agreement with the EU, the "Windsor Framework," which aims to replace the Northern Ireland protocol. According to the Windsor Framework, medicinal products intended for the UK market including Northern Ireland will be authorized by the MHRA and will bear a "UK only" label. This means that medicinal products placed on the market in Northern Ireland will no longer need to be compliant with EU law. These new measures will be implemented beginning January 1, 2025. The TCA allows for future deviation from the current regulatory framework and it is not known if and/or when any deviations may occur, which may have an impact on development, manufacture, marketing authorization, commercial sales and distribution of pharmaceutical products. It is also important to note that obtaining a marketing authorization is not sufficient to gain effective access to the market in the EU and in the UK; companies still need to agree to a reimbursement price for the products and in some jurisdictions, such as the UK and Germany, a further positive recommendation from health technology on cost-effectiveness is required for the products to be actually prescribed and reimbursed by the respective national health systems (see "—Governments outside of the United States tend to impose strict price controls, which may adversely affect our revenues from the sales of drugs," below). If we fail to comply with the regulatory requirements in international markets and thus do not receive applicable marketing approvals, our target market will be reduced, our ability to realize the full market potential of our drug candidates will be harmed and our business will be adversely affected. We may not obtain foreign regulatory approvals on a timely basis, or at all. Our failure to obtain approval of any of our drug candidates by regulatory authorities in another country may significantly diminish the commercial prospects of that drug candidate and our business prospects could decline.

***Even if we, or any collaborators, obtain marketing approvals for our drug candidates, the terms of approvals and ongoing regulation of our products may limit how we, or they, manufacture and market our products, which could materially impair our ability to generate revenue.***

Once marketing approval has been granted, an approved product and its manufacturer and marketer are subject to ongoing review and extensive regulation. We, and any collaborators, must therefore comply with requirements concerning advertising and promotion for any of our drug candidates for which we or they obtain marketing approval. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labeling. Thus, we, and any collaborators, will not be able to promote any products we develop for indications or uses for which they are not approved.

In addition, manufacturers of approved products and those manufacturers' facilities are required to comply with extensive FDA, EMA, MHRA and other regulatory requirements, including ensuring that quality control and manufacturing procedures conform to cGMPs, which include requirements relating to quality control and quality assurance, as well as the corresponding maintenance of records and documentation and reporting requirements. We, our third-party manufacturers, and any collaborators and their third-party manufacturers could be subject to periodic unannounced inspections by the FDA and other regulatory agencies to monitor and ensure compliance with cGMPs.

Accordingly, assuming we, or any collaborators, receive marketing approval for one or more of our drug candidates, we, any collaborators, and our respective third-party 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 any collaborators, are not able to comply with post-approval regulatory requirements, we, and any collaborators, could have the marketing approvals for our products withdrawn by regulatory authorities and our, or any 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 business, operating results, financial condition and prospects.

***Any drug candidate for which we, or any collaborators, obtain marketing approval could be subject to post-marketing restrictions or withdrawal from the market and we, or any collaborators, may be subject to substantial penalties if we, or they, fail to comply with regulatory requirements or if we, or they, experience unanticipated problems with our products when and if any of them are approved.***

Any drug candidate for which we, or any collaborators, obtain marketing approval, as well as the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA, EMA, the MHRA 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 manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians, tracking and tracing, serialization, postmarket adverse event reporting and recordkeeping. Even if marketing approval of a drug candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, including the requirement to implement REMS. New cancer drugs frequently are indicated only for patient populations that have not responded to an existing therapy or have relapsed. If any of our drug candidates receive marketing approval, the accompanying label may limit the approved use of our drug in this way, which could limit sales of the product.

Clinical trials of our drug candidates must be conducted in carefully defined subsets of patients who have agreed to enter into clinical trials. Consequently, it is possible that our clinical trials, or those of any future collaborator, may indicate an apparent positive effect of a drug candidate that is greater than the actual positive effect, if any, or alternatively fail to identify undesirable side effects. If one or more of our drug candidates receives marketing approval and we, or others, discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the drug or seize the drug;
- we, or any future collaborators, may be required to recall the drug, change the way the drug is administered or conduct additional clinical trials;
- additional restrictions may be imposed on the marketing of, or the manufacturing processes for, the particular drug;
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- regulatory authorities may require the addition of labeling statements, such as a "black box" warning or a contraindication;

- we, or any future collaborators, may be required to create a Medication Guide outlining the risks of the previously unidentified side effects for distribution to patients;
- we, or any future collaborators, could be sued and held liable for harm caused to patients;
- the drug may become less competitive in the marketplace; and
- our reputation may suffer.

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

The FDA also may impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product, including the adoption and implementation of REMS. The FDA and other agencies, including the DOJ, closely regulate and monitor the post-approval marketing and promotion of drugs to ensure they are marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA and DOJ impose stringent restrictions on manufacturers' communications regarding off-label use, and if we do not market our products only for their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the FDCA and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations and enforcement actions alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer protection laws. Other jurisdictions, including European countries, have similar provisions which may lead to investigations and enforcement actions by national authorities.

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

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions and warnings on the labeling or marketing of a product;
- restrictions on product distribution or use;
- 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;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- suspension of any ongoing clinical trials;
- damage to relationships with any potential collaborators;
- unfavorable press coverage and damage to our reputation;
- refusal to permit the import or export of our products;
- product seizure;
- injunctions or the imposition of civil or criminal penalties; or
- litigation involving patients using our products.

Non-compliance with EU and UK requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population (as explained further under "—If any of our drug candidates are not considered to be a new active substance or are deemed to fall within the "global marketing authorization" of an existing medicinal product or if pediatric studies are not adequately completed, this may result in lack of regulatory data protection or failure to obtain an extension to existing regulatory data protection," below), also can result in significant financial penalties, and non-compliance with pediatric requirements may prevent regulatory approvals from being granted. Similarly, failure to comply with the EU and UK's requirements regarding the protection of personal information can lead to significant penalties and sanctions.

In addition, manufacturers of approved products and those manufacturers' facilities are required to comply with extensive FDA requirements, including ensuring that quality control and manufacturing procedures conform to cGMPs applicable to drug manufacturers which include requirements relating to quality control and quality assurance, as well as the corresponding maintenance of records and documentation and reporting requirements. We, any contract manufacturers we may engage in the future, our collaborators and their contract manufacturers also will be subject to other regulatory requirements, including submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements regarding the distribution of samples to clinicians, recordkeeping, and costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product, such as the requirement to implement a REMS.

***If we decide to seek Orphan Drug Designation or other designations from regulators for any of our current or future drug candidates, we may be unsuccessful or may be unable to maintain the benefits associated with these designations, including the potential for supplemental market exclusivity associated with an Orphan Drug Designation.***

We may seek Orphan Drug Designation or other designations from regulators for one or more of our current or future drug candidates. Regulatory authorities in some jurisdictions, including the United States, EU and European Economic Area (EEA), Switzerland and the UK, may designate drugs or biological products for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biological product intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States when there is no reasonable expectation that the cost of developing and making available the drug in the United States will be recovered from sales in the United States for that drug or biological product. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. After the FDA grants Orphan Drug Designation, the identity of the drug or biological product and its potential orphan use are disclosed publicly by the FDA. Orphan Drug Designation does not convey any advantage in, or shorten the duration of, the regulatory review process.

If a product that has Orphan Drug Designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including an NDA or BLA, to market the same drug or biological product for the same indication for seven years, except in limited circumstances such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the biological product was designated. As a result, even if one of our drug candidates receives orphan exclusivity, the FDA can still approve or license other drugs or biological products for use in treating the same indication or disease. Further, the FDA can waive orphan exclusivity if we are unable to manufacture sufficient supply of our product.

In addition, Congress is considering updates to the orphan drug provisions of the FDCA in response to a recent decision by the U.S. Court of Appeals for the Eleventh Circuit. Any changes to the orphan drug provisions could change our opportunities for, or likelihood of success in obtaining, orphan drug exclusivity and would materially adversely affect our business, results of operations, financial condition and prospects.

We may seek Orphan Drug Designation for our drug candidates in additional orphan indications in which there is a medically plausible basis for the use of these drug candidates. Even when we obtain Orphan Drug Designation, exclusive marketing rights in the United States may be limited if we seek licensure for an indication broader than the orphan designated indication and may be lost if the FDA later determines that the request for designation was materially defective or if we, through our manufacturer, are unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. In addition, although we may seek Orphan Drug Designation for other drug candidates, we may never receive these designations.

In order to obtain orphan designation in the EEA, the product must fulfill certain criteria. Under Article 3 of Regulation (EC) 141/2000, a medicinal product may be designated as an orphan medicinal product if it meets the following criteria: (1) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (2) either the prevalence of such condition must not be more than five in 10,000 persons in the EU when the application is made, or without the benefits derived from orphan status, it must be unlikely that the marketing of the medicine would generate sufficient return in the EU to justify the investment needed for its development; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU or if such a method exists, the product will be of significant benefit to those affected by the condition, as defined in Regulation (EC) 847/2000.

Products receiving orphan designation in the EU may receive 10 years of orphan market exclusivity (which can be further extended by two years if pediatric studies have been conducted in accordance with an agreed pediatric investigational plan). Applications must first satisfy the orphan designation criteria and apply for orphan designation before making the application for marketing authorization. The applicant must then successfully maintain the orphan designation at the time of the MAA in order to qualify for 10 years of orphan market exclusivity. During this 10-year period, the competent authorities of the EU Member States and European Commission may not accept applications or grant marketing authorization for other similar medicinal products for the same orphan therapeutic indication. The protection afforded by orphan market exclusivity in the EU may, in some circumstances, be circumvented by competitor products which are demonstrated not to be 'similar' or which are authorized for different therapeutic indications. There may be a risk that products may be prescribed 'off-label' for the orphan therapeutic indication by healthcare professions in some EU Member States.

There are also three exceptions to the orphan market exclusivity principle. Marketing authorization may be granted to a similar medicinal product for the same orphan therapeutic indication if:

- the second applicant can establish in its application that its medicinal product, although similar to the orphan medicinal product already authorized, is safer, more effective or otherwise clinically superior;
- the holder of the marketing authorization for the original orphan medicinal product consents to a second orphan medicinal product application; or
- the holder of the marketing authorization for the original orphan medicinal product cannot supply sufficient quantities of orphan medicinal product.

An orphan product can also obtain an additional two years of orphan market exclusivity in the EU if the MAA contains the results of all pediatric studies conducted in accordance with and agreed pediatric investigation plan. The 10-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation; for example, if the product is sufficiently profitable not to justify maintenance of market exclusivity.

The UK's regulatory legal framework provides for similar periods of protection (namely regulatory data protection, marketing protection and market exclusivity).

It is important to note that the regulatory protection afforded to medicinal products such as data exclusivity, marketing protection, market exclusivity for orphan indications and pediatric extension are currently under review at the EU level. It is expected that the protection currently afforded in the EU will be reduced in the years to come. On April 26, 2023, the European Commission adopted a proposal for a new Directive and a new Regulation. If enacted into law, this proposal will revise and replace the existing general pharmaceutical legislation and will affect the existing period of regulatory protections afforded to medicinal products.

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

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

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

Competition that our drug candidates may face from generic versions of our drug candidates could materially and adversely impact our future revenue, profitability and cash flows and substantially limit our ability to obtain a return on the investments we have made in those drug candidates. Our future revenues, profitability and cash flows could also be materially and adversely affected and our ability to obtain a return on the investments we have made in those drug candidates may be substantially limited if our drug candidates, if and when approved, are not afforded the appropriate periods of non-patent exclusivity.

***If any of our drug candidates are not considered to be a new active substance or are deemed to fall within the "global marketing authorization" of an existing medicinal product or if pediatric studies are not adequately completed, this may result in lack of regulatory data protection or failure to obtain an extension to existing regulatory data protection.***

Where an applicant for a marketing authorization submits a full dossier containing its own pharmaceutical, preclinical tests and clinical trials data, and where the application does not fall within the 'global marketing authorization' of an existing medicinal product, the applicant is entitled to eight years of regulatory data protection upon grant of the marketing authorization (the period starts to run from the first marketing authorization in the EU and EEA). During this period, applicants for approval of generics or biosimilars cannot rely on data contained in the marketing authorization dossier submitted for the already authorized, or reference, medicinal product to support their application. After the expiration of the eight-year period of regulatory data protection, the reference medicinal product benefits from a further two-year period of marketing protection. During these two years of marketing protection, no generic or biosimilar medicinal product that relies upon the reference medicinal product's dossier may be placed on the EU market, but a generic or biosimilar MAA can be submitted to the competent regulatory authorities in the EU Member States during this time. The two-year period of marketing protection can further be extended by one year if, during the first eight years of the grant of the first marketing authorization, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. However, even if a compound is considered to be a new active substance and the innovator is able to gain the period of regulatory data protection and marketing protection, provided that no other IP or regulatory exclusivities applied, another unrelated company could also apply for a marketing authorization and market another competing medicinal product for the same therapeutic indication if such company obtained its own marketing authorization based on a separate MAA based on a full self-standing scientific data package supporting the application. The period of regulatory data protection and marketing protection applies in the UK (running from the date of the first authorization in Great Britain).

In the EU, pursuant to Regulation 1901/2006, and in the UK pursuant to the Human Medicines Regulations 2012 (as amended), MAAs must include pediatric data based on pediatric investigation plans agreed with the EMA if the MAA concerns (i) a new active substance, or (ii) a new indication, pharmacological form, or route of administration (where the product is protected by a supplementary protection certificate or a patent qualifying for a supplementary certificate). Applicants may obtain waivers or deferrals to these requirements in certain circumstances (for example a waiver may be obtained if the condition only occurs in adult populations). Where required, pediatric studies must cover all sub-sets of the pediatric population for both existing and new indications, pharmacological forms and route of administrations. Limited further exclusions apply, including in relation to generic or biosimilar applications. Certain rewards may be available for completion of pediatric studies. For example, where MAAs include the results of all studies conducted in compliance with an agreed pediatric investigation plan, the holder of the patent or supplementary protection certificate may be entitled to a six-month extension to the supplementary protection certificate. Additionally, the European Commission's new proposed legislation, if implemented, will also affect the current EU legal framework of pediatric medicines.

***Our operations and relationships with actual and potential customers, providers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to penalties including criminal sanctions, civil penalties, exclusions from government programs, contractual damages and reputational harm, and could diminish our future profits and earnings.***

Our arrangements with third-party payors, physicians, and other potential customers will subject 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 drug candidates for which we obtain marketing approval.

Applicable U.S. federal and state and non-U.S. healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute, a criminal law, which prohibits, among other things, persons and entities from knowingly and willfully offering, paying, soliciting or receiving any remuneration, directly or indirectly, in cash or in kind, to induce or reward purchasing, leasing, ordering, or arranging for, referring, or recommending the purchase, lease or order of any good or service for which payment may be made, in whole or in part, under federal healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations of the federal Anti-Kickback Statute can result in significant civil monetary penalties and criminal fines, as well as imprisonment and exclusion from participation in federal healthcare programs;
- the federal civil False Claims Act, which may be enforced through civil whistleblower or qui tam actions and imposes significant civil penalties, treble damages and potential exclusion from federal healthcare programs against individuals or entities for, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or for making a false record or statement material to an obligation to pay the federal government or for knowingly and improperly avoiding, decreasing or concealing an obligation to pay money to the federal government. Further, a violation of the federal Anti-Kickback Statute can serve as a basis for liability under the federal civil False Claims Act. There is also the federal Criminal False Claims Act, which is similar to the federal Civil False Claims Act and imposes criminal liability on those that make or present a false, fictitious or fraudulent claim to the federal government;
- the federal Civil Monetary Penalties Law, which authorizes the imposition of substantial civil monetary penalties against an entity that engages in activities including, among others (1) knowingly presenting, or causing to be presented, a claim for services not provided as claimed or that is otherwise false or fraudulent in any way; (2) arranging for or contracting with an individual or entity that is excluded from participation in federal health care programs to provide items or services reimbursable by a federal health care program; (3) violations of the federal Anti-Kickback Statute; or (4) failing to report and return a known overpayment;
- federal criminal statutes created by the Health Insurance Portability and Accountability Act (HIPAA), which impose criminal liability for, among other things, knowingly and willfully executing or attempting to execute a scheme to defraud any healthcare benefit program, including private insurance plans, or, in any matter involving a healthcare benefit program, for knowingly and willfully making materially false, fictitious or fraudulent statements in connection with the delivery of or payment for health care benefits;
- HIPAA, as amended by HITECH, and its implementing regulations, which also imposes obligations, including mandatory contractual terms, on certain types of people and entities with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal Food, Drug, and Cosmetic Act and Public Health Service Act which among other things, strictly regulates drug marketing, prohibits manufacturers from marketing such products for off-label use or misbranding or adulterating their products, and regulates the distribution of samples;
- the federal and state laws that require pharmaceutical manufacturers to report certain calculated product pricing metrics to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of product coverage and reimbursement under federal healthcare programs;
- the federal Physician Payment Sunshine Act, which requires applicable manufacturers of covered drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program, among others, to annually track and report payments and other transfers of value provided to U.S.-licensed physicians, teaching hospitals, physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse-midwives, as well as certain ownership and investment interests held in the manufacturer by physicians and their immediate families;

- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, that may apply to our business practices, including sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers;
- state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and relevant compliance guidance promulgated by the federal government;
- state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures;
- other state laws that prohibit various marketing-related activities, such as the provision of certain kinds of gifts or meals; require the reporting of certain pricing information, including information pertaining to and justifying price increases, or prohibit prescription drug price gouging; and certain state and local laws that require the registration of pharmaceutical sales representatives; and
- state and foreign laws that govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations 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 drug candidates from government-funded healthcare programs, such as Medicare and Medicaid, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, and the curtailment or restructuring of our operations. If any physicians or other healthcare providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may also be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action for an alleged or suspected violation can cause us to incur significant legal expenses and divert management's attention from the operation of the business, even if such action is successfully defended.

Providing benefits or advantages to induce or reward improper performance generally to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is prohibited in the EU and the UK. The provision of benefits or advantages to induce or reward improper performance is governed by the national anti-bribery laws of EU Member States, and in respect of the UK, the Bribery Act 2010. Infringement of these laws may result in substantial fines and imprisonment. EU Directive 2001/83/EC, which is the EU Directive governing medicinal products for human use, provides that, where medicinal products are being promoted to healthcare professionals, no gifts, pecuniary advantages or benefits in kind may be supplied, offered or promised to such individuals unless they are inexpensive and relevant to the practice of medicine or pharmacy. This provision was transposed into the Human Medicines Regulations 2012 and as such remains applicable in the UK.

Payments made to physicians in certain EU Member States must be publicly disclosed. In addition, agreements with healthcare professionals must often be the subject of prior notification and approval by the healthcare professional's employer, his or her competent professional organization and/or the regulatory authorities of individual EU Member States. These requirements are set out in national laws, industry codes or professional codes of conduct, applicable in the EU Member States and in the UK. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

***The FDA's and other regulatory authorities' policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug candidates.***

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

***Current and future legislation may increase the difficulty and cost for us, and any collaborators, to obtain marketing approval of and commercialize our drug candidates and affect the prices we, or they, may obtain.***

In the United States and some 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 drug candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any drug candidates for which we obtain marketing approval. The biopharmaceutical industry has been a particular focus of these efforts and has been significantly affected by legislative initiatives. 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 receive for any FDA-approved product.

Healthcare reform measures that may be adopted in the future may result in 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.

To date, there have been several U.S. congressional inquiries and proposed and enacted state and federal legislation and regulations designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient support programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. Most notably, the Inflation Reduction Act (IRA), which was signed into law on August 16, 2022, allows Medicare to: beginning in 2026, establish a “maximum fair price” for a fixed number of pharmaceutical and biological products covered under Medicare Parts B and D following a price negotiation process with the Centers for Medicare and Medicaid Services (CMS); and, beginning in 2023, penalize drug companies that raise prices for products covered under Medicare Parts B and D faster than inflation, among other reforms. CMS has recently taken steps to implement the IRA; first, on June 9, 2023, by releasing a list of 43 Medicare Part B products that had adjusted coinsurance rates based on the inflationary rebate provisions of the IRA for the time period of July 1, 2023 to September 30, 2023; next, on June 30, 2023, issuing guidance detailing the requirements and parameters of the first round of price negotiations, to take place during 2023 and 2024, for products subject to the “maximum fair price” provision that would become effective in 2026; and, on August 29, 2023, releasing the initial list of 10 drugs subject to price negotiations. It is unclear how future regulatory actions to implement the IRA, as well as the outcome of pending litigation against the IRA, may affect our products and future profitability.

On October 14, 2022, President Biden issued an Executive Order on Lowering Prescription Drug Costs for Americans, which instructed the Secretary of the Department of Health and Human Services (HHS) to consider whether to select for testing by the CMS Innovation Center new health care payment and delivery models that would lower drug costs and promote access to innovative drug therapies for beneficiaries enrolled in the Medicare and Medicaid programs. The Executive Order further directed the Secretary of HHS to submit, within 90 days after the date of the Executive Order, a report regarding any models that may lead to lower cost-sharing for commonly used drugs and support value-based payment that promotes high-quality care. On February 14, 2023, the HHS issued a report in response to the October 14, 2022 Executive Order, which, among other things, selects three potential drug affordability and accessibility models to be tested by the CMS Innovation Center. Specifically, the report addresses: (1) a model that would allow Part D Sponsors to establish a “high-value drug list” setting the maximum co-payment amount for certain common generic drugs at $2; (2) a Medicaid-focused model that would establish a partnership between CMS, manufacturers, and state Medicaid agencies that would result in multi-state outcomes-based agreements or certain cell and gene therapy drugs; and (3) a model that would adjust Medicare Part B payment amounts for Accelerated Approval Program drugs to advance the developments of novel treatments.

We cannot be sure what impact, if any, the foregoing changes will have on the profitability of any of our drug candidates, if approved for commercial use, in the future.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing. These include legislation and regulations regarding price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, legislative action 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.

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

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

In some countries, particularly the countries of the EU and the UK, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. 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 drug to other available therapies. Furthermore, in some European countries, the authorities conduct an HTA to assess the cost-effectiveness of the product (in the UK that HTA assessment is conducted by the National Institute for Health and Care Excellence), which may significantly impact effective access to the market. If reimbursement of our drugs is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

**Risks Related to Employees, Managing our Growth and Other Legal Matters**

***If we fail to attract and retain management and other key personnel, we may be unable to continue to successfully develop our current and any future drug candidates, commercialize our drug candidates or otherwise implement our business plan.***

Our ability to compete in the highly competitive biopharmaceuticals industry depends upon our ability to attract and retain highly qualified managerial, scientific, medical, sales and marketing and other personnel. We are highly dependent on our management and scientific personnel, including our President and Chief Executive Officer, Arthur T. Sands, M.D., Ph.D., and Chief Scientific Officer, Gwenn Hansen, Ph.D. The loss of the services of Dr. Sands, Dr. Hansen or other members of our senior leadership team could impede, delay or prevent the successful development of our product pipeline, completion of our current and planned clinical trials, commercialization of our products or in-licensing or acquisition of new assets, and could negatively impact our ability to successfully implement our business plan. If we lose the services of such individuals, we might not be able to find suitable replacements on a timely basis or at all, and our business could be harmed as a result. We do not maintain "key man" insurance policies on the lives of these individuals or the lives of any of our other employees.

We employ all of our executive officers and key personnel on an at-will basis and their employment can be terminated by us or them at any time, for any reason and without notice. In order to retain valuable employees at our company, in addition to salary and cash incentives, we provide stock options and restricted stock units (RSUs) that vest over time. The value to employees of stock options and RSUs that vest over time will be significantly affected by movements in our stock price that are beyond our control and may at any time be insufficient to counteract offers from other companies.

Moreover, we might not be able to attract or retain qualified management and other key personnel in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses, particularly in the San Francisco Bay Area where we are headquartered. We could have difficulty attracting experienced personnel to our company and may be required to expend significant financial resources in our employee recruitment and retention efforts. Many pharmaceutical companies with whom we compete for qualified personnel have greater financial and other resources, different risk profiles and longer histories in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that will harm our ability to implement our business strategy and achieve our business objectives.

In addition, we have scientific and clinical advisors who assist us in formulating our development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. In addition, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours.

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

As our development and commercialization plans and strategies develop, and as we continue our transition into operating as a public company, we expect to expand our employee base for managerial, operational, financial and other resources. In addition, we have limited experience in product development. We filed our first IND in December 2020 and currently have three drug candidates in ongoing Phase 1 trials. As our drug candidates enter and advance through preclinical studies and clinical trials, we will need to expand our development, regulatory and manufacturing capabilities or contract with other organizations to provide these capabilities for us. In the future, we expect to have to manage additional relationships with collaborators or partners, suppliers and other organizations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may not be able to implement improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls. Our inability to successfully manage our growth and expand our operations could have a material and adverse effect on our business, financial condition, results of operations and prospects.

***Our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading laws.***

We are exposed to the risk that our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include:

- intentional, reckless or negligent conduct or disclosure to us of unauthorized activities that violate the regulations of the FDA or similar foreign regulatory authorities;
- healthcare fraud and abuse in violation of U.S. and foreign laws and regulations;
- violations of U.S. federal securities laws relating to trading in our common stock; and
- failures to report financial information or data accurately.

In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations regulate a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have adopted a code of conduct and implemented other internal controls applicable to all of our employees, it is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective. Additionally, we are subject to the risk that a person could allege fraud or other misconduct, even if none occurred. 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, including the imposition of civil, criminal and administrative penalties, damages, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs and diminished profits and future earnings, any of which could adversely affect our ability to operate our business or cause reputational harm.

***We depend on our information technology systems, and any failure of these systems, or those of our CROs, third-party vendors, collaborators or other contractors or consultants we may utilize, could harm our business. Security breaches, cyber-attacks, loss of data and other disruptions could compromise sensitive information related to our business or other personal information, prevent us from accessing critical information and expose us to liability, which could adversely affect our business, reputation, results of operations, financial condition and prospects.***

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems, infrastructure and data to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including but not limited to intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity and availability of such confidential information. We have established physical, electronic and organizational measures to safeguard and secure our systems which are designed to prevent data compromise, and rely on commercially available systems, software, tools and monitoring to provide security for our information technology systems and the processing, transmission and storage of digital information. We have also outsourced elements of our information technology infrastructure, resulting in a number of third-party vendors that may or could have access to our confidential information.

Despite the implementation of security measures, our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors and consultants and other third parties on which we rely, are vulnerable to breach, breakdown or other damage or interruption from service interruptions, system malfunction, computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet (including harmful attachments to emails, ransomware, denial-of-service attacks, social engineering, and other means to affect service reliability and threaten the confidentiality, integrity, and availability of information), persons inside our organization, or persons with access to systems inside our organization. Any of the foregoing may compromise or lead to data leakage of our system infrastructure, or that of our third-party vendors and other contractors and consultants.

The risk of a security breach or disruption, particularly through cyber-attacks or cyber-intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. We may not be able to anticipate all types of security threats, and we may not be able to implement preventive measures effective against all such security threats. The techniques used by cyber criminals change frequently, may not be recognized until launched and can originate from a wide variety of sources. In addition, the prevalent use of mobile devices and remote work applications that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information or other intellectual property or unauthorized access to personal information. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or those of our third-party vendors and other contractors and consultants, or inappropriate disclosure of confidential, personal or proprietary information, we could incur liability and reputational damage and the further development and commercialization of our drug candidates could be delayed. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be material, and although we have and continue to invest in and implement security measures designed to protect our data security and information technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If the information technology systems of our third-party vendors and other contractors and consultants become subject to disruptions or security breaches, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring.

We and our third-party service providers regularly defend against and respond to data security incidents, and we cannot assure you that our data protection efforts and our investment in information technology will prevent significant breakdowns, data leakages, breaches in our systems, or those of our third-party vendors and other contractors and consultants, or other cyber incidents that could have a material adverse effect upon our reputation, business, operations, or financial condition. If such an event were to occur that causes interruptions in our operations, or those of our third-party vendors and other contractors and consultants, it could result in a material disruption or delay of our product development programs. For example, the loss of clinical trial data from completed, ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Furthermore, significant disruptions of our internal information technology systems or those of our third-party vendors and other contractors and consultants, or security breaches could result in the loss, misappropriation, and/or unauthorized access, use, or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information, and personal information), which could result in financial, legal, business, and reputational harm to us. If any such event, including a computer security breach, results in the unauthorized access, use or release of personal information, our reputation could be materially damaged. In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal and state data privacy and security laws (and other similar non-U.S. laws), subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information. For example, data breaches frequently result in regulatory actions and commercial and class action litigation based on a variety of laws and legal duties, such as the California Consumer Privacy Act (CCPA), which provides for a private right of action in the event of certain data security breaches. Such actions could result in significant legal and financial exposure and reputational damages that could have a material adverse effect on our business, financial condition, results of operations and prospects.

Currently, we carry business interruption coverage to mitigate certain potential losses, but this insurance is limited in amount and may not be sufficient in type or amount to cover us against claims related to a cybersecurity breach and related business and system disruptions. We cannot be certain that such potential losses will not exceed our policy limits, insurance will continue to be available to us on economically reasonable terms, or at all, or any insurer will not deny coverage as to any future claim. In addition, we may be subject to changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements.

***We are or may become subject to a variety of stringent privacy and data security laws, regulations, policies and contractual obligations related to data privacy and security, and changes in such laws, regulations, policies and contractual obligations and our failure, or any failure by our third-party vendors, collaborators, contractors or consultants, to comply with them could harm our business and result in enforcement action by regulators and claims from affected individuals.***

We maintain and process, and our third-party vendors, collaborators, contractors and consultants maintain and process on our behalf, a large quantity of sensitive information, including confidential business, personal and patient health information in connection with our preclinical studies and clinical trials and from our employees. We are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage and use of personal information, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information. Failure by us or our third-party vendors, collaborators, contractors and consultants to comply with any of these laws and regulations could result in enforcement actions by data protection authorities against us, including fines or penalties, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

In the United States, there are numerous federal and state privacy and data security laws and regulations governing the collection, use, disclosure and protection of personal information, including federal and state health information privacy laws, federal and state security breach notification laws, and federal and state consumer protection laws. Each of these laws is subject to varying interpretations and the legislative landscape is constantly evolving. In particular, laws and regulations governing the privacy of health information, such as HIPAA, establish privacy and security standards that limit the use and disclosure of individually identifiable health information, or protected health information, and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Determining how protected health information may be used, shared or processed in compliance with applicable privacy standards and our contractual obligations can be complex and may be subject to changing interpretation. Further, if we fail to comply with applicable privacy laws, we could face civil and criminal penalties, or claims for breach of contract. The HHS has enforcement discretion for HIPAA, and any enforcement activity can result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition, states have shown an increased interest in protecting the privacy of health data. Washington state passed the My Health My Data Act, which is focused on the collection of consumer health data. The My Health My Data Act has a broader scope than HIPAA and includes a private right of action—depending on whether this law applies to us, there may be substantial regulatory action and litigation associated with this act once it becomes effective. Following Washington, Nevada enacted Senate Bill 370. Similar to the My Health My Data Act, Senate Bill 370 requires in-scope entities to comply with certain requirements regarding consumer health data. Notably, Senate Bill 370 does not include a private right of action or apply to entities that are subject to HIPAA. Connecticut also amended its comprehensive privacy law, the Connecticut Data Privacy Act, to impose obligations aimed at “consumer health data.” Furthermore, state attorneys general are authorized to bring civil actions seeking either injunctions or damages in response to violations that threaten the privacy of state residents pursuant to local state laws. We cannot be sure how these regulations will be interpreted, enforced or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws and regulations at the federal and state level may be costly and require ongoing modifications to our policies, procedures and systems.

Personal data privacy remains an evolving landscape at both the domestic and international level, with new regulations coming into effect. For example, the CCPA, which came into effect on January 1, 2020, and was amended and expanded by the California Privacy Rights Act (CPRA) as of January 1, 2023, provides California residents expanded privacy rights, including the right to request correction, access, and deletion of their personal information, the right to opt out of certain personal information sharing, and the right to receive detailed information about how their personal information is processed, including by California residents' employers. Additionally, the CCPA requires companies that process personal information of California residents to make disclosures to consumers about their data collection, use and sharing practices, allow consumers to opt out of certain data sharing with third parties, complete certain audits and assessments when processing higher risk data and provide a private right of action for data breaches, as described above. Although the CCPA includes limited exceptions—including exceptions for personal health information collected by covered entities or business associates subject to HIPAA among others, the CCPA may regulate or impact our processing of personal information depending on the context. Failure to comply with the CCPA may result in significant civil penalties, injunctive relief, or statutory or actual damages as determined by the California Privacy Protection Agency and California Attorney General through its investigative authority. Notably, additional consumer privacy laws have or will take effect in 2023 in other states including the Virginia Consumer Data Protection Act (effective January 1, 2023), the Colorado Privacy Act and the Connecticut Data Privacy Act (both effective July 1, 2023), and the Utah Consumer Privacy Act (effective December 31, 2023). Several other states have followed suit and passed similar legislation that will come into effect at various times in the coming few years. Compliance with this new privacy legislation adds complexity and may require investment in additional resources for compliance programs, thus potentially result in additional costs and expense of resources to maintain compliance.

In addition, the EU General Data Protection Regulation (EU GDPR) has been in effect since May 2018 in the EEA. The EU GDPR governs the collection, use, disclosure, transfer or other processing of personal data, replacing data protection laws issued by each EU member state based on the Directive 95/46/EC. The EU GDPR imposes additional compliance burdens, including by mandating burdensome documentation requirements and granting certain privacy rights to individuals to control how companies collect, use, disclose, retain and otherwise process information about them as well as changes to informed consent practices, the obligation to appoint data protection officers in certain circumstances, the obligation to notify relevant data supervisory authorities of personal data breaches without undue delay (and no later than 72 hours) after becoming aware of the personal data breach, and the requirement for more detailed notices for clinical trial subjects and investigators. In addition, the EU GDPR increases the scrutiny of transfers of personal data from clinical trial sites and other third parties (e.g., CROs) located in the EEA to jurisdictions that the European Commission does not recognize as having "adequate" data protection laws. After years of uncertainty following the July 16, 2020 decision of the Court of Justice of the European Union invalidating the EU-U.S. Privacy Shield Framework, on July 10, 2023, the European Commission adopted its adequacy decision for the new EU-U.S. Data Privacy Framework (DPF). The DPF creates a path forward for personal data to be transferred from the EU to United States for U.S. entities that have self-certified with the U.S. Department of Commerce.

Further, following the end of the Brexit Transition Period (on December 31, 2020) the EU GDPR has been implemented in the UK (as the UK GDPR)—non-compliance with which may lead to similar compliance and operational costs as the EU GDPR with potential fines of up to the greater of £17 million or 4% of annual global turnover. The UK GDPR sits alongside the UK Data Protection Act 2018 which implements certain derogations in the EU GDPR into UK law. Under the UK GDPR, companies not established in the UK but who process personal data in relation to the offering of goods or services to individuals in the UK, or to the monitoring of their behavior will be subject to the UK GDPR—the requirements of which are largely aligned with those under the EU GDPR. The European Commission has adopted an adequacy decision in favor of the UK, enabling data transfers from EU Member States to the UK without additional safeguards. However, the UK adequacy decision will automatically expire in June 2025 unless the European Commission reassesses and renews/extends that decision, and remains under review by the European Commission during this period. Further, on November 17, 2022, the UK Information Commissioner's Office (ICO) published its revised guidance on international transfers along with its own International Transfer Risk Assessment (TRA) and tool which is the UK equivalent of the EDPB Recommendations and provides for general advice on how to satisfy the *Schrems II* requirement to carry out a legal assessment for transfers of personal data subject to the UK GDPR. The ICO has clarified that organizations may either follow the ICO's TRA or EDPB approach when assessing international data transfers. The UK's ICO has also published: (i) its International Data Transfer Agreement to replace the old Standard Contractual Clauses for transfers to outside the UK; and (ii) a "UK addendum" to the new EU Standard Contractual Clauses which amends the relevant provisions of such clauses to work in a UK context. As noted above, there is an ongoing UK-U.S. adequacy process, and in June 2023, the United States and the UK reached a commitment to establish the UK Extension to the DPF that will create a "data bridge" between the two countries.

As a company, we have invested, and expect to continue to invest, significant time and resources in our GDPR compliance program. This is necessary to ensure we can initiate and maintain GDPR-compliant clinical trials in the EU. Any failure or perceived failure by us with respect to GDPR compliance could mean we either cannot initiate additional GDPR-compliant clinical trials in the EU or we may face regulatory investigations, significant fines and penalties, reputational damage or be required to change our business practices, all of which could adversely affect our business, financial condition and results of operations.

Some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity for conducting preclinical testing and clinical trials or delivering our future products, if any. Additionally, other countries (e.g., Australia and Japan) have adopted certain legal requirements for cross-border transfers of personal information. These obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other requirements or our practices.

It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. In addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively impact our business. Compliance with these and any other applicable privacy and data security laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms for ensuring compliance with the new data protection rules. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. It is possible that if our practices are not consistent or viewed as not consistent with legal and regulatory requirements, including changes in laws, regulations and standards or new interpretations or applications of existing laws, regulations and standards, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, loss of export privileges, or severe criminal or civil sanctions, all of which may have a material and adverse impact on our business, operating results, reputation, and financial condition. 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 business, financial condition, results of operations or prospects.

Any such liability, litigation, investigations and proceedings may or may not be covered by our liability insurance and may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs, severely disrupt our business, and may result in significant reputational harm and have a material and adverse impact on our business, financial condition, results of operations or prospects.

***U.S. federal income tax reform and changes in other tax laws could adversely affect us.***

In December 2017, U.S. federal tax legislation commonly referred to as the TCJA was signed into law, significantly reforming the Internal Revenue Code of 1986, as amended (Code). The TCJA, among other things, changed the U.S. federal tax treatment of research and experimental (R&E) expenses. For tax years beginning on or after January 1, 2022, taxpayers are required to capitalize and amortize, rather than deduct, R&E expenses. R&E expenses are amortizable over five years for research performed in the United States and 15 years for research performed outside the United States. We are closely monitoring these provisions and are in the process of analyzing the potential impact to our income taxes and financial position in future years.

The law governing net operating loss carryovers and carrybacks was modified by both the TCJA and by U.S. federal tax legislation named the CARES Act, which was signed into law in March 2020. Net operating losses arising in tax years beginning on or after January 1, 2021, can be carried forward indefinitely, generally cannot be carried back, and can be used to offset no more than 80 percent of taxable income.

The IRA was signed into U.S. law on August 16, 2022. The IRA provides for, among other things, a new U.S. federal one percent excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased. For purposes of calculating the base excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. Certain repurchases are not counted in the base of the excise tax.

In addition, new legislation or regulations that could affect our tax burden could be enacted by any governmental authority. We cannot predict the timing or extent of such tax-related developments that could negatively impact our financial results. We use our best judgment in attempting to quantify and reserve for these tax obligations. However, a challenge by a taxing authority, our ability to utilize tax benefits such as carryforwards or tax credits, or a deviation from other tax-related assumptions could have a material adverse effect on our business, results of operations, or financial condition.

***Our ability to utilize our net operating loss carryforwards may be subject to limitations.***

We have incurred substantial losses during our history, do not expect to become profitable in the near future and may never achieve profitability. As of November 30, 2022, we had federal and state net operating loss (NOL) carryforwards of approximately $276.3 million and $299.6 million, respectively. To the extent we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, subject to the restrictions and exceptions described below. Federal NOLs generated in tax years beginning on or before December 31, 2017, may be carried forward 20 tax years and expire on various dates beginning in 2029. Under the TCJA, as modified by the CARES Act, NOLs arising in tax years beginning on or before December 31, 2017, may be carried back two tax years, NOLs arising in tax years beginning after December 31, 2017, and before January 1, 2021 may be carried back five tax years and NOLs arising in tax years beginning after December 31, 2020, may not be carried back. In 2020, we filed a refund claim of $15.7 million to carryback our NOLs generated in the fiscal year ended November 30, 2018, and we filed a refund claim to carryback our NOLs generated in the fiscal year ended November 30, 2019, to recover an additional $3.9 million of income tax. NOLs arising in tax years beginning after December 31, 2017, and before January 1, 2021, may be carried forward indefinitely but are limited to 80% of our taxable income in tax years beginning after December 31, 2020. State NOLs can be carried forward 20 years and begin expiring in 2029.

Under Sections 382 and 383 of the Code, if a corporation undergoes an “ownership change” (generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period), the corporation’s ability to use its pre-change NOLs and other pre-change tax attributes (such as research tax credits) to offset its post-change income may be limited. We have identified two ownership changes since our inception that have triggered a limitation on pre-change NOLs under Section 382. A majority of our pre-change NOLs remain available within the carryforward period provided by the Code, subject to availability of taxable income. We may have experienced additional ownership changes that have not yet been identified that could result in the expiration of our NOL and credit carryforwards before utilization and we may experience subsequent shifts in our stock ownership, some of which are outside our control. As a result, if we earn net taxable income, our ability to use our pre-change NOLs to offset U.S. federal taxable income may be subject to limitations that potentially could result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

***Future acquisitions, joint ventures, spin outs or strategic alliances or transactions could disrupt our business and harm our financial condition and results of operations.***

We may acquire additional businesses or drugs, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new drugs resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot be certain that, following any such acquisition, we will achieve the expected synergies to justify the transaction. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of research and development efforts;
- retention of key employees from the acquired company;
- changes in relationships with strategic partners as a result of product acquisitions or strategic positioning resulting from the acquisition;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked sufficiently effective controls, procedures and policies;
- liability for activities of the acquired company before the acquisition, including intellectual property infringement claims, violation of laws, commercial disputes, tax liabilities and other known liabilities;
- unanticipated write-offs or charges; and

- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions or strategic alliances could cause us to fail to realize the anticipated benefits of these transactions, or cause us to incur unanticipated liabilities and harm the business generally. There also is a risk that future acquisitions will result in our incurring debt, contingent liabilities, amortization expenses or incremental operating expenses, any of which could harm our financial condition or results of operations. Additionally, we may not realize the expected value of out-licensing, joint ventures, spin outs or other strategic transactions.

***We are subject to anti-corruption laws, as well as export control laws, customs laws, sanctions laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, or other remedial measures and legal expenses, any of which could adversely affect our business, results of operations and financial condition.***

Our operations are subject to anti-corruption laws, including the Foreign Corrupt Practices Act (FCPA), the UK Bribery Act 2010 (Bribery Act) and other anticorruption laws that apply in countries where we do business and may do business in the future. The FCPA, the Bribery Act and other anti-corruption or similar laws generally prohibit us, our officers and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We may in the future operate in jurisdictions that pose a high risk of potential FCPA or Bribery Act violations, and we may participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under the FCPA, the Bribery Act or local anti-corruption laws. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

We also are subject to other laws and regulations governing our international operations, including regulations administered by the governments of the United States, UK and authorities in the EU, including applicable export control regulations, economic sanctions on countries and persons, customs requirements and currency exchange regulations, which we collectively refer to as Trade Control Laws.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws, including the FCPA, the Bribery Act, or other legal requirements including Trade Control Laws. If we are not in compliance with the FCPA, the Bribery Act, and other anti-corruption laws or Trade Control Laws, we may be subject to criminal and civil penalties, legal expenses, and disgorgement and other sanctions and remedial measures, which could have an adverse impact on our business, financial condition, results of operations and liquidity. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions. Likewise, any investigation of any potential violations of the FCPA, the Bribery Act, other anti-corruption laws or Trade Control Laws by U.S., UK or other authorities also could have an adverse impact on our reputation, our business, results of operations and financial condition.

***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 significantly 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 produce hazardous waste products. Although 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 costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, but 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, which could adversely affect our business, financial condition, results of operations or prospects. In addition, failure to comply with these laws and regulations may result in substantial fines, penalties or other sanctions.

***Unfavorable global economic conditions could adversely affect our business, financial condition, stock price and results of operations.***

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. For example, the global financial crisis of 2007-2008 caused extreme volatility and disruptions in the capital and credit markets. Similarly, the volatility associated with the COVID-19 pandemic caused significant instability and disruptions in the capital and credit markets and, in recent months, the global economy has been impacted by increasing interest rates and inflation, uncertainty with respect to the federal budget and debt ceiling, as well as the possibility of a recession or further economic downturn. Moreover, there has been recent turmoil in the global banking system. For example, on March 10, 2023, Silicon Valley Bank (SVB), which was one of our banking partners, was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver, and on March 27, 2023, First-Citizens Bank & Trust Company assumed all of SVB's customer deposits and certain other liabilities and acquired substantially all of SVB's loans and certain other assets from the FDIC. While we only had a minimal amount of our cash directly at SVB and, since that date, the FDIC has stated that all depositors of SVB will be made whole, and First-Citizens Bank & Trust Company has assumed our deposits from SVB, there is no guarantee that the federal government would guarantee all depositors as they did with SVB depositors in the event of further bank closures and continued instability in the global banking system may adversely impact our business and financial condition. Our ongoing cash management strategy is to maintain diversity in our deposit accounts across financial institutions, but deposits in these institutions may exceed the amount of insurance provided on such deposits and there can be no assurance that this strategy will be successful. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, then our ability to access our cash, cash equivalents and marketable securities may be threatened, which could have a material adverse effect on our business and financial condition. Furthermore, the capital and credit markets may be adversely affected by regional conflicts around the world and the possibility of a wider global conflict, global sanctions imposed in response to regional conflicts or an energy crisis. A severe or prolonged economic downturn, such as the global financial crisis, could result in a variety of risks to our business, including a decrease in the demand for our drug candidates and in our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy also could strain our suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services. We cannot anticipate all of the ways in which the foregoing, and the current economic climate and financial market conditions generally, could adversely impact our business. Furthermore, our stock price may decline due in part to the volatility of the stock market and any general economic downturn.

***Our current operations are in the San Francisco Bay Area, and we or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters as to which our business continuity and disaster recovery plans may not be adequate to protect us.***

Our current operations are located in our facilities in San Francisco, California. Any unplanned event, such as earthquake, flood, fire, explosion, extreme weather condition, medical epidemic, power shortage, telecommunication failure or other natural or man-made accident or incident that result in our being unable to fully utilize our facilities, or the manufacturing facilities of our third-party contract manufacturers, may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our drug candidates or interruption of our business operations, and have a material adverse effect on our business, financial condition, results of operations and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our third-party contract manufacturers, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption could have a material and adverse effect on our business, financial condition, results of operations and prospects.

**Risks Related to Our Common Stock**

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

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

- variations in the level of expense related to the ongoing development of our drug candidates, DELigase platform, or future development programs;
- results of preclinical studies and clinical trials, or the addition or termination of clinical trials or funding support by us or by existing or future collaborators or licensing partners;
- our execution of any additional collaboration, licensing or similar arrangements, and the timing of payments we may make or receive under existing or future arrangements or the termination or modification of any such existing or future arrangements;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- additions and departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- if any of our drug candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such drug candidates;
- regulatory developments affecting our drug candidates or those of our competitors; and
- changes in general market and economic conditions, including increasing interest rates, inflation, uncertainty with respect to the federal budget and debt ceiling, instability in the global banking system and the possibility of a recession or further economic downturn.

If our quarterly operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any quarterly fluctuations in our operating results may, in turn, cause the price of our common stock to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

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

The trading price of our common stock may be highly volatile and subject to wide fluctuations in response to various factors, some of which we cannot control. As a result of this volatility, investors may not be able to sell their common stock at or above the purchase price. The market price for our common stock may be influenced by many factors, including the other risks described in this section and the following:

- results of preclinical studies and clinical trials of our drug candidates, or those of our competitors or our existing or future collaborators;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our drug candidates;
- the success of competitive products or technologies;
- introductions and announcements of new products by us, our collaboration partners, or our competitors, and the timing of these introductions or announcements;
- actions taken by regulatory agencies with respect to our drug candidates, clinical trials, manufacturing process or sales and marketing terms;
- actual or anticipated variations in our financial results or in those of companies that are perceived to be similar to us;
- the success of our efforts to acquire or in-license additional technologies, products or drug candidates;
- developments concerning our current or future collaborations, including but not limited to those with our sources of manufacturing supply and our commercialization partners;
- market conditions in the pharmaceutical and biotechnology sectors;

- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures or capital commitments;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our drug candidates and products;
- our ability or inability to raise additional capital and the terms on which any additional capital is raised;
- the recruitment or departure of key personnel;
- changes in the structure of healthcare payment systems;
- actual or anticipated changes in earnings estimates or changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may provide to the market;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement and expectation of additional financing efforts;
- speculation in the press or investment community;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- cybersecurity events;
- terrorist acts, acts of war or periods of widespread civil unrest, including the increasingly volatile global economic conditions resulting from regional conflicts around the world;
- effects of public health crises, pandemics and epidemics;
- natural disasters and other calamities; and
- general economic, industry and market conditions, including increasing interest rates, inflation, uncertainty with respect to the federal budget and debt ceiling, instability in the global banking system and the possibility of a recession or further economic downturn.

In addition, the stock market in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme price and volume fluctuations that often have been unrelated or disproportionate to the operating performance of the issuer. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section, could have a dramatic and adverse impact on the market price of our common stock.

***A sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly.

We cannot predict what effect, if any, sales of our shares in the public market or the availability of shares for sale will have on the market price of our common stock. However, future sales of substantial amounts of our common stock in the public market, including shares issued upon exercise of outstanding options, or the perception that such sales may occur, could adversely affect the market price of our common stock.

We also expect that significant additional capital may be needed in the future to continue our planned operations. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

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

The trading market for our common stock is and will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over the analysts or the content and opinions included in their reports. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our preclinical studies and clinical trials and results of operations fail to meet the expectations of analysts, our stock price would likely decline. If one or more of such analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause a decline in our stock price or trading volume.

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

We may choose to raise additional capital in the future, depending on market conditions, strategic considerations and operational requirements. For example, in March 2021, we sold an additional 5,175,000 shares of our common stock in a follow-on public offering. In addition, we currently have on file with the SEC a shelf registration statement on Form S-3 which allows us to offer and sell up to $450.0 million of our registered common stock, preferred stock, debt securities, warrants, subscriptions rights and or units from time to time pursuant to one or more offerings at prices and terms to be determined at the time of sale. In August 2021, we entered into an Equity Distribution Agreement with Piper Sandler & Co. (Piper Sandler) pursuant to which, from time to time, we may offer and sell through Piper Sandler up to $150.0 million of the common stock registered under the shelf registration statement pursuant to one or more “at the market” offerings. In June 2022, we issued and sold 2,000,000 shares of common stock under the Equity Distribution Agreement to Piper Sandler for net proceeds of approximately $19.3 million, after deducting offering commissions and expenses paid by us. As of August 31, 2023, we had $130.0 million of common stock remaining available for sale pursuant to the Equity Distribution Agreement. Sales of our common stock under the Equity Distribution Agreement with Piper Sandler could be subject to business, economic or competitive uncertainties and contingencies, many of which may be beyond our control, and which could cause actual results from the sale of our common stock to differ materially from expectations. In addition, in July 2022, we entered into separate Securities Purchase Agreements with certain purchasers to issue and sell pre-funded warrants to purchase an aggregate of 6,814,920 shares of our common stock in registered direct offerings for gross proceeds to us of $95.0 million before deducting offering expenses. Such pre-funded warrants are immediately exercisable, have an exercise price of $0.001 and may be exercised at any time after the date of issuance. To the extent additional capital is raised through the sale and issuance of shares or other securities convertible into shares, the ownership interest of our stockholders will be diluted. Future issuances of our common stock or other equity securities, or the perception that such sales may occur, could adversely affect the trading price of our common stock and impair our ability to raise capital through future offerings of shares or equity securities. No prediction can be made as to the effect, if any, that future sales of common stock or the availability of common stock for future sales will have on the trading price of our common stock.

***We will not receive a significant amount, or potentially any, additional funds upon the exercise of our pre-funded warrants; however, any exercise would increase the number of shares eligible for future resale in the public market and result in substantial dilution to our stockholders.***

As of August 31, 2023, we have issued pre-funded warrants to purchase a total of 6,814,920 shares of our common stock, of which 6,097,560 were outstanding as of August 31, 2023. Each pre-funded warrant is exercisable for $0.001 per share of common stock underlying such pre-funded warrant, which may be paid by way of a cashless exercise, meaning that the holder may not pay a cash purchase price upon exercise, but instead would receive upon such exercise the net number of shares of common stock determined according to the formula set forth in the pre-funded warrant. Accordingly, we will not receive a significant amount, or potentially any, additional funds upon the exercise of the pre-funded warrants. To the extent such pre-funded warrants are exercised, additional shares of common stock will be issued for nominal or no additional consideration, which will result in substantial dilution to the then existing holders of our common stock and will increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of the common stock, causing our stock price to decline.

***There is no public market for our pre-funded warrants.***

There is no public trading market for our pre-funded warrants issued in July 2022, and we do not expect a market to develop. In addition, we do not intend to apply to list the pre-funded warrants on any securities exchange or nationally recognized trading system, including the Nasdaq Global Market (Nasdaq). Without an active market, the liquidity of the pre-funded warrants will be limited, and the value of the pre-funded warrants may be adversely impacted.

Additionally, each holder of pre-funded warrants will not be entitled to exercise any portion of any pre-funded warrant, which, upon giving effect to such exercise, would cause (i) the aggregate number of shares of our common stock beneficially owned by the holder (together with its affiliates) to exceed 9.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, or (ii) the combined voting power of our securities beneficially owned by the holder (together with its affiliates) to exceed 9.99% of the combined voting power of all of our securities then outstanding immediately after giving effect to the exercise. However, any holder may increase or decrease such percentage to any other percentage (not in excess of 19.99%) upon at least 61 days' prior notice from the holder to us.

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

Our restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions also could make it difficult for stockholders to elect directors who are not nominated by current members of our board of directors or to take other corporate actions, including effecting changes in our management. These provisions:

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit only our board of directors to establish the number of directors and fill vacancies on our board;
- provide that directors may be removed only "for cause" and only with the approval of two-thirds of our stockholders;
- require super-majority voting to amend some provisions in our restated certificate of incorporation and amended and restated bylaws, unless such amendments are approved by two-thirds of our board of directors, in which case stockholders can approve by a simple majority;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- prohibit cumulative voting; and
- establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law (DGCL) may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15% or more of our common stock.

***Our restated certificate of incorporation and our amended and restated bylaws contain exclusive forum provisions for certain claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.***

Our restated certificate of incorporation, to the fullest extent permitted by law, provides that the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our amended and restated bylaws provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (a Federal Forum Provision). Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit our stockholders' ability to bring a claim in a judicial forum they find favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our restated certificate of incorporation and/or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

***We will continue to incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.***

As a public company, we incur and, particularly now that we no longer are an emerging growth company, will further incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Moreover, since we ceased to be an "emerging growth company" on November 30, 2021, we may no longer take advantage of certain exemptions from various reporting requirements that are applicable to public companies. This increase in reporting requirements will further increase our compliance burden.

Our management and other personnel are required to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our legal and financial compliance costs and have made some activities more time-consuming and costly. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements also could make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. Moreover, these rules and regulations often are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

***If we fail to maintain effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, investors' views of us and, as a result, the value of our common stock.***

Pursuant to the rules and regulations of the SEC, we are required to furnish a report by our management on, among other things, our internal control over financial reporting. To achieve compliance with these rules and regulations, we engage in a process to document and evaluate our internal control over financial reporting, which is both costly and time consuming. Effective internal control over financial reporting is necessary for us to provide reliable financial reporting and, together with adequate disclosure controls and procedures, are designed to prevent material misstatements due to fraud or error. Any failure to design new or improved internal controls necessary to address risks of material misstatement in our interim or annual financial statements, or difficulties encountered in their implementation or operation, could cause us to fail to meet our reporting obligations. Ineffective internal control over financial reporting could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

The reporting on our assessment of the effectiveness of our internal control over financial reporting needs to include disclosure of any material weaknesses identified in our internal control over financial reporting. Moreover, in the event that we qualify as a large accelerated filer or accelerated filer under SEC rules in future years, our independent registered public accounting firm will be required to audit the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act (Section 404(b)). Any mandatory or voluntary compliance with Section 404(b) will result in increased costs, expenses, and management resources. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation. We are also required to disclose changes made in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting on a quarterly basis. To comply with the requirements of being a public company, we have undertaken, and may need to further undertake in the future, various actions, such as implementing new internal controls and procedures and hiring additional accounting staff.

As discussed in Part II, Item 9A of our Annual Report on Form 10-K for the fiscal year ended November 30, 2022, we previously identified material weaknesses in our internal control over financial reporting related to controls over segregation of duties in our journal entry and account reconciliation processes, and certain information technology general controls. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified did not result in any misstatement of our financial statements. During the year ended November 30, 2022, our management identified and implemented changes to our internal control over financial reporting to remediate the deficiencies that led to the material weakness, and, as a result of such changes, our management concluded that the material weaknesses had been remediated and that our internal control over financial reporting was effective as of November 30, 2022. However, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will prevent or avoid potential future material weaknesses.

Moreover, our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, material weaknesses in our disclosure controls and procedures and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective internal control over financial reporting or any difficulties encountered in their implementation or improvement could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods, which could cause the price of our common stock to decline. In addition, if we are not able to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

***We are a "smaller reporting company" and the reduced disclosure requirements applicable to smaller reporting companies may make our common stock less attractive to investors.***

Beginning with our Quarterly Report on Form 10-Q for the fiscal period ended May 31, 2022, we requalified as a "smaller reporting company," meaning that the market value of our stock held by non-affiliates is less than $560.0 million as of May 31, 2022, and our annual revenue is less than $100.0 million during the most recently completed fiscal year. We will continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than $250.0 million as of the prior May 31 or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 million as of the prior May 31. As a smaller reporting company, we may take advantage of many of the same exemptions from disclosure requirements as an emerging growth company, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

***Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.***

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

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

The market price of our common stock may be volatile. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

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

**Use of Proceeds**

On July 23, 2020, our registration statement on Form S-1, as amended (File No. 333-239651), was declared effective by the SEC in connection with the IPO of our common stock.

There has been no material change in the planned use of proceeds from our IPO as described in the prospectus filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act on July 24, 2020.

**Unregistered Sales of Equity Securities**

None.

**Purchases of Equity Securities by Issuers and Affiliated Purchasers**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

| Exhibit Number | Description | Incorporated by Reference | | | | Filed or Furnished Herewith |
|---|---|---|---|---|---|---|
| | | Form | File No. | Exhibit | Filing Date | |
| 10.1* | First Amendment to Lease Agreement, dated June 28, 2023, by and between ARE-San Francisco No. 19 Owner, LLC and the Registrant | | | | | X |
| 10.2 | First Amendment to Lease Agreement, dated August 25, 2023, by and between 8800 Technology Forest PL, LLC and the Registrant | | | | | X |
| 10.3*† | Collaboration and License Agreement, dated September 6, 2023, by and between the Registrant and Seagen Inc. | | | | | X |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 32.1‡ | Certification of Principal Executive Officer and Principal Financial and Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 101.INS | Inline XBRL Instance Document - the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document | | | | | X |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document | | | | | X |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document | | | | | X |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document | | | | | X |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document | | | | | X |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document | | | | | X |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and included in exhibit 101) | | | | | X |

* *Registrant has omitted certain schedules pursuant to Item 601(a)(5) of Regulation S-K*

† *Registrant has omitted portions of the exhibit as permitted under Item 601(b)(10) of Regulation S-K*

‡ *The certifications furnished in Exhibits 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act of the Exchange Act.*

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**NURIX THERAPEUTICS, INC.**

Date: October 12, 2023

By: /s/ ARTHUR T. SANDS

Arthur T. Sands, M.D., Ph.D.

President, Chief Executive Officer and Director

*(Principal Executive Officer)*

Date: October 12, 2023

By: /s/ HANS VAN HOUTE

Hans van Houte

Chief Financial Officer

*(Principal Financial and Accounting Officer)*

## FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "**First Amendment**") is made as of June 28, 2023 (the "**Effective Date**"), by and between **ARE-SAN FRANCISCO NO. 19 OWNER, LLC**, a Delaware limited liability company ("**Landlord**"), and **NURIX THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**").

## RECITALS

**A.** Landlord and Tenant entered into that certain Lease Agreement dated as of July 8, 2021 (the "**Lease**"). Pursuant to the Lease, Tenant leases certain premises commonly known as Suite 493 and consisting of approximately 19,320 rentable square feet (the "**Premises**") in a building located at 455 Mission Bay Boulevard South, San Francisco, California. The Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

**B.** Landlord has designated certain shared rooms on the first floor of the east wing of the Building (the "**Hazardous Materials Storage Area**"), for the storage of Hazardous Materials of tenants and licensees of the Project.

**C.** Prior to the date hereof, Landlord allowed Tenant to use certain space within the Hazardous Materials Storage Area identified on **Exhibit A** attached hereto ("**Tenant's HazMat Storage Space**"), for the storage of Tenant's Hazardous Materials.

**D.** Landlord and Tenant desire, subject to the terms and conditions set forth herein, to amend the Lease to, among other things, set forth the terms upon which Tenant has the right to continue to use Tenant's HazMat Storage Space.

**NOW, THEREFORE,** in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

**1.** **Tenant's HazMat Storage Space**. Commencing on the Effective Date, in connection with its use of the Premises, Tenant shall have the right to use Tenant's HazMat Storage Space for the storage of Tenant's Hazardous Materials. Tenant shall have all of the obligations under the Lease with respect to Tenant's HazMat Storage Space as though Tenant's HazMat Storage Space were part of the Premises (excluding the payment of Base Rent with respect thereto) including, without limitation, the surrender of Tenant's HazMat Storage Space at the expiration or earlier termination of the Term in accordance with the requirements of Section 28 of the Lease. Tenant shall maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, and take or cause to be taken all other actions necessary or required under applicable Legal Requirements in connection with the use of Tenant's HazMat Storage Space. Landlord shall have no obligation to make any repairs or other improvements to Tenant's HazMat Storage Space, and Tenant shall maintain the same, at Tenant's sole cost and expense, during the Term. For avoidance of doubt, Landlord shall pay, as an Operating Expense, for all Utilities used in Tenant's HazMat Storage Space, and Tenant shall pay its pro rata share of the charges for such Utilities.

**2.** **Use**. Tenant shall use the Hazardous Materials Storage Area in a manner that complies with all applicable Legal Requirements and any and all rules and regulations which may be reasonably adopted by Landlord from time to time, and Landlord shall provide Tenant with a minimum of 30 days' advance written notice (which may be by email) of any new rules and regulations. Tenant shall comply with any schedule(s) which may be implemented by Landlord for access to and use of the Hazardous Materials Storage Area by all parties entitled to use the same. Tenant agrees to cause its employees who will have access to the Hazardous Materials Storage Area to complete all training programs, if any, reasonably mandated by Landlord relating to the use of the Hazardous Materials Storage Area.

Tenant shall use the Hazardous Materials Storage Area in a manner that will not interfere with the rights of any other tenants, other licensees or Landlord's service providers. Landlord assumes no responsibility for enforcing Tenant's rights or for protecting the Hazardous Materials Storage Area

from interference or use from any person including, without limitation, other tenants or licensees of the Project. Any failure by Tenant to comply with the terms of this Section 2 or any rules and regulations reasonably adopted by Landlord with respect to the Hazardous Materials Storage Area that is not cured within 10 business days after written notice to Tenant shall constitute a Default under the Lease; provided that if the nature of Tenant's default is such that it cannot be cured by the payment of money and reasonably requires more than 10 business days to cure, then Tenant shall not be deemed to be in Default if Tenant commences such cure within said 10 business day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 60 days from the date of Landlord's notice (taking into account any delays due to Force Majeure). Tenant's rights to use the Hazardous Materials Storage Area shall automatically terminate upon the expiration or earlier termination of the Lease.

**3.** **Section 1938 Disclosures**. Section 41(p) of the Lease is incorporated herein as though set forth in full herein.

**4.** **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with the transaction reflected in this First Amendment and that no Broker brought about this transaction. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this First Amendment.

**5.** **OFAC**. Tenant and all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of the Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of the Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List or the Sectoral Sanctions Identifications List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

**6.** **Miscellaneous**.

**a.** This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

**b.** This First Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

**c.** This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

**d.** Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

**[**Signatures are on the next page.**]**

**IN WITNESS WHEREOF**, the parties hereto have executed this First Amendment as of the day and year first above written.

**TENANT:**

**NURIX THERAPEUTICS, INC.**,
a Delaware corporation

By: /s/ Christine Ring
Name: Christine Ring
Its: General Counsel

X I hereby certify that the signature, name, and title above are my signature, name and title

**LANDLORD:**

**ARE-SAN FRANCISCO NO. 19 OWNER, LLC**,
a Delaware limited liability company
By: ARE-San Francisco No. 19 HoldCo, LLC,
a Delaware limited liability company,
managing member

By: ARE-San Francisco No. 19 JV, LLC,
a Delaware limited liability company,
managing member

By: ARE-San Francisco No. 19, LLC
a Delaware limited liability company,
managing member

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS Corp.,
a Maryland corporation,
general partner

By: /s/ Kristen Childs
Kristen Childs
Vice President — Real Estate

## FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "**First Amendment**") is made as of August 25, 2023, by and between **8800 TECHNOLOGY FOREST PL, LLC**, a Delaware limited liability company ("**Landlord**"), and **NURIX THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**").

## RECITALS

**A.** Landlord and Tenant are parties to that certain Lease Agreement dated as of March 1, 2022 (the "**Lease**"). Pursuant to the Lease, Tenant leases certain premises consisting of approximately 46,434 rentable square feet ("**Premises**") designated as Suite 200 in a building designated as Building 100 located at 8800 Technology Forest Place, The Woodlands, Texas 77381. The Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

**B.** The Base Term of the Lease is scheduled to expire on February 28, 2035 (the "**Expiration Date**").

C. Landlord and Tenant desire, subject to the terms and conditions set forth below, to amend the Lease to, among other things, update the Rentable Area of the Premises, Building and Project based on a recently completed remeasurement.

**NOW, THEREFORE,** in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

**1.** **Remeasurement**. Landlord has remeasured the Premises, Building and Project and as a result the parties hereby stipulate that, effective as of September 1, 2023, Page 1 of the Lease is hereby amended as follows:

(i) The definition of "**Premises**" on Page 1 of the Lease is amended by replacing the phrase "46,434 rentable square feet" with "50,094 rentable square feet."

(ii) The "**Rentable Area of Premises**" on Page 1 of the Lease is amended to be 50,094 sq. ft.

(iii) The "**Rentable Area of Building**" on Page 1 of the Lease is amended to be 123,392 sq. ft.

(iv) The "**Rentable Area of Project**" on Page 1 of the Lease is amended to be 321,977 sq. ft.

(v) The "**Tenant's Share of Operating Expenses of Building**" on Page 1 of the Lease is amended to be 40.6%.

(vi) The "**Building Share of Operating Expenses of Project**" on Page 1 of the Lease is amended to be 38.3%.

Although the rentable area of the Premises, Building and Project are being amended, during the Base Term the parties hereby agree that the Base Rent, TI Allowance, and Security Deposit are not being changed or amended as a result of such remeasurement. In addition, the rentable area that is being partially abated in Section 3(a) of the Lease shall remain unchanged. However, as of September 1, 2023, the parties agree that for purposes of calculating the Additional Rent due from Tenant, that the Tenant's Share of Operating Expenses of Building and Building Share of Operating Expenses of Project shall be amended as reflected herein.

**2.** **OFAC**. Tenant and all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on,

and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

**3.** **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with the transaction reflected in this First Amendment and that no Broker brought about this transaction. Landlord and Tenant each hereby agrees to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this First Amendment.

**4.** **Miscellaneous**.

**a.** This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

**b.** This First Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

**c.** This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

**d.** Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

**[Signatures are on the next page.]**

**IN WITNESS WHEREOF**, the parties hereto have executed this First Amendment as of the day and year first above written.

**TENANT:**

**NURIX THERAPEUTICS, INC.,**
a Delaware corporation

By: /s/ Christine Ring
Christine Ring
Its: General Counsel

_X_ I hereby certify that the signature, name, and title above are my signature, name and title

**LANDLORD:**

**8800 TECHNOLOGY FOREST PL, LLC,**
a Delaware limited liability company

By: Texas Real Estate Holding No. 1, LLC,
a Delaware limited liability company,
managing member

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS Corp.,
a Maryland corporation,
general partner

By: /s/ Mark Hikin
Mark Hikin
VP – Real Estate Legal Affairs

**Exhibit 10.3**

**CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED.**

# COLLABORATION AND LICENSE AGREEMENT

**by and between**

**NURIX THERAPEUTICS, INC.**

**and**

**SEAGEN INC.**

**dated as of September 6, 2023**

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**SCHEDULES**



**EXHIBITS**

# COLLABORATION AND LICENSE AGREEMENT

This **COLLABORATION AND LICENSE AGREEMENT** (this "**Agreement**") is entered into as of September 6, 2023 (the "**Effective Date**") by and between Nurix Therapeutics, Inc., a Delaware corporation ("**Nurix**"), and Seagen Inc., a Delaware corporation ("**Seagen**"). Nurix and Seagen are each referred to herein by name or as a "**Party**" or, collectively, as the "**Parties**."

## RECITALS

**WHEREAS**, Nurix is a biotechnology company developing therapies that control ubiquitin E3 ligases, the key enzymes responsible for protein breakdown in human cells, which have applications in the treatment of various diseases.

**WHEREAS**, Seagen is a global biotechnology company with expertise in researching, developing and commercializing targeted therapies to treat cancer, and owns or controls proprietary technology relating to antibody drug conjugates.

**WHEREAS**, Seagen has identified, or will identify under the terms and conditions of this Agreement, [*] Collaboration Degrader Target Sets (as defined below), each containing [*] Degrader Targets (as defined below) that are homologues of each other.

**WHEREAS**, Nurix wishes to grant Seagen, and Seagen wishes to receive, an exclusive option (as further described herein) to obtain an exclusive license to develop and commercialize certain compounds created by Nurix during the Joint Research Term (as defined below) that are optimized (as construed in accordance with Section 20.13.2(n)) to bind to and cause the degradation of one (1) or more Collaboration Degrader Targets (as defined below) in an applicable Collaboration Degrader Target Set (as further described herein). Such Collaboration Degraders may be developed as stand-alone compounds or conjugated to antibodies thereby targeting such Collaboration Degraders to certain cell types via the binding of such antibodies to certain cell-surface proteins (as further described herein).

**WHEREAS**, the Parties may, to the extent permitted herein and during the Degrader License Option Period (as defined below) for a Collaboration Degrader Target Set, amend such Collaboration Degrader Target Set to remove Degrader Targets from or add one (1) or more available Degrader Targets to such Collaboration Degrader Target Set, including for the purposes of optimizing toxicity or efficacy.

**WHEREAS**, if Seagen exercises the Degrader License Option with respect to a Collaboration Degrader Target Set, then such Collaboration Degrader Target Set will be a Licensed Degrader Target Set, and Seagen will obtain an exclusive license to further research, develop, manufacture and commercialize pharmaceutical products containing the applicable Licensed Degraders created by Nurix and optimized to degrade only such Licensed Degrader Target Set (or Subsets of such Licensed Degrader Target Set) either as stand-alone compounds or as Degrader-Antibody Conjugates in the Field in the Territory (each as defined below), subject to the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## ARTICLE 1
## DEFINITIONS

Unless specifically set forth to the contrary herein, the following terms will have the respective meanings set forth below.

1.1 "**Accounting Standard**" means, with respect to a Party or its Affiliate or Sublicensee, GAAP or IFRS, as such Party, Affiliate or Sublicensee uses for its financial reporting obligations, in each case, consistently applied.

1.2 "**Acquired Party Family**" means, in the case of a Change of Control of a Party, such Party and all of its Affiliates that exist immediately prior to the Change of Control transaction and are subject to such Change of Control transaction, and any direct or indirect subsidiaries thereof created after such Change of Control transaction.

1.3 "**Acquiring Entity**" means, in the case of a Change of Control of a Party, the successor in interest, resulting entity, assignee or purchaser, as applicable, of such Party and its Affiliates.

1.4 "**Acquiring Entity Family**" means, in the case of a Change of Control of a Party, the Acquiring Entity and its Affiliates existing immediately prior to the closing of the Change of Control transaction together with any future Affiliates of such Party (but excluding the Acquired Party Family).

1.5 "**Action**" means any claim, action, suit, arbitration, inquiry, audit, proceeding or investigation by or before any Governmental Authority, court, tribunal, arbitrator or arbitral body.

1.6 "**Additional Active**" is defined in Section 1.41(a).

1.7 "**Additional Conjugation Candidate**" is defined in Section 4.5 (Additional Conjugation Candidates).

1.8 "**Affiliate**" means, with respect to a Party, any Person which, directly or indirectly through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party for so long as such Person controls, is controlled by, or is under common control with such Party. For purposes of this Section 1.8 ("Affiliate") and Section 1.30 ("Change of Control") only, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to a Person means: (a) direct or indirect ownership of fifty percent (50%) or more of the voting securities or other voting interest of any Person (including attribution from related parties); or (b) the possession, directly or indirectly, of the power to direct, or cause the direction of: the management and policies of such Person, whether through ownership of voting securities, by contract, as a general partner, as a manager or otherwise.

1.9 "**Agreement**" is defined in the preamble to this Agreement.

1.10 "**Agreement Payments**" means any and all payments paid or payable pursuant to this Agreement.

1.11 "**Alliance Manager**" is defined in Section 10.5 (Alliance Manager).

1.12 "**Ancillary Agreements**" means (a) each Nurix Opt-In Agreement (if and when executed); (b) each Reversion Product License Agreement (if and when executed); (c) each Other Reversion License Agreement (if and when executed); and (d) any other agreement entered into

between the Parties (or their respective Affiliates) pursuant to this Agreement or an Ancillary Agreement.

1.13 "**Annual Ex-U.S. Net Sales**" means, with respect to a Licensed Product, [*].

1.14 "**Annual Global Net Sales**" means, on a Licensed Product-by-Licensed Product basis, [*], calculated in accordance with the Accounting Standard of Seagen, its Affiliate or Sublicensee, as applicable.

1.15 "**Antibody**" means (a) any antibody (whether monospecific, bispecific or multi-specific, fully human, humanized or chimeric, monoclonal or polyclonal, multiple or single chain, recombinant, engineered or naturally occurring) that specifically binds to one (1) or more Cell-Surface Antigens or (b) any antigen binding domain, sequence, portion, derivative, variant or fragment of an antibody described in clause (a).

1.16 "**Antitrust Filing**" is defined in Section 5.2 (Degrader License Option Exercise).

1.17 "**Antitrust Law**" means any Applicable Law that is designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization, lessening of competition or restraint of trade, including the HSR Act.

1.18 "**Applicable Law**" means all applicable laws, statutes, rules, regulations, treaties (including tax treaties), orders, judgments or ordinances having the effect of law of any national, multinational, supranational, federal, state, provincial, county, city or other political subdivision, including, to the extent applicable, the FFDCA, GCP, GLP and GMP, as well as all applicable data protection and privacy laws, rules and regulations, including, to the extent applicable, the United States Department of Health and Human Services privacy rules under the Health Insurance Portability and Accountability Act and the Health Information Technology for Economic and Clinical Health Act and the EU Data Protection Directive (Council Directive 95/46/EC) and applicable laws implementing the EU Data Protection Directive and the General Data Protection Regulation (2016/679).

1.19 "**Arbitration Notice**" is defined in Section 20.6.2(a).

1.20 "**Arbitrators**" is defined in Section 20.6.3(a).

1.21 "**Auditor**" is defined in Section 13.11.7(b) (Audit Rights).

1.22 "**Available Degrader Target**" means each Degrader Target that, as of the time of such determination in accordance with Article 3 (Gatekeeping), is not (a) an Excluded Degrader Target, (b) a Collaboration Degrader Target, (c) a Licensed Degrader Target, or (d) in any Reserved Degrader Target Set.

1.23 "**Available Degrader Target Set**" means a Degrader Target Set comprising only Available Degrader Targets.

1.24 "**Background IP**" is defined in Section 15.1.1 (Background IP).

1.25 "**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

1.26 "**Business Day**" means any day other than: (a) a Saturday or Sunday or any day on which commercial banks in San Francisco, California or New York, New York are authorized or required by Applicable Law to remain closed; or (b) December 26 through December 31.

1.27 "**Calendar Quarter**" means each of the three (3) month periods ending March 31, June 30, September 30 and December 31; *provided*, that the first Calendar Quarter of the Term extends from the Effective Date to the end of the then-current Calendar Quarter, and the last Calendar Quarter extends from the first day of the last Calendar Quarter during the Term until the effective date of the termination or expiration of this Agreement.

1.28 "**Calendar Year**" means each period beginning on January 1 and ending on December 31; *provided*, that the first Calendar Year of the Term extends from the Effective Date to December 31 of the then-current Calendar Year, and the last Calendar Year extends from January 1 of the last Calendar Year during the Term until the effective date of the termination or expiration of this Agreement.

1.29 "**Cell-Surface Antigen**" means the extracellular domain of any transmembrane cell-surface protein or other cell-surface molecule that is capable of binding to an Antibody.

1.30 "**Change of Control**" means, with respect to a Party, from and after the Effective Date: (a) a merger or consolidation in which (i) such Party is a constituent party, or (ii) an Affiliate of such Party that directly or indirectly controls such Party is a constituent party, except in the case of either clause (i) or (ii) any such merger or consolidation involving such Party or such Affiliate in which the shares of capital stock of such entity outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or are exchanged for shares of capital stock which represent, immediately following such merger or consolidation, fifty percent (50%) or more by voting power of the capital stock of (A) the surviving or resulting corporation or (B) a parent corporation of such surviving or resulting corporation, whether direct or indirect; (b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by such Party or an Affiliate of such Party of all or substantially all of the assets of such Party and its Affiliates taken as a whole and whether owned directly or indirectly through Affiliates (except where such sale, lease, transfer, exclusive license or other disposition is to an Affiliate of such Party existing immediately prior to such time); or (c) any "person" or "group," as such terms are defined in Sections 13(d) and 14(d) of the U.S. Securities Exchange Act of 1934, in a single transaction or series of related transactions, becomes the beneficial owner as defined under the U.S. Securities Exchange Act of 1934, directly or indirectly, whether by purchase or acquisition or agreement to act in concert or otherwise, of fifty percent (50%) or more by voting power of the then-outstanding capital stock or other equity interests of such Party. Notwithstanding the foregoing, the following shall not constitute a Change of Control: (x) a sale of capital stock to underwriters in an underwritten public offering of a Party's capital stock solely for the purpose of financing, or (y) the acquisition of securities of a Party or its Affiliate by any Person or group of Persons that acquires such securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for such Party or Affiliate through the issuance of equity securities.

1.31 "**Clinical Trial**" means any clinical investigation, as that term is defined in FDA regulations at 21 C.F.R. § 312.3, or a similar clinical investigation conducted on human subjects, as defined under Applicable Law outside the United States. Without limiting the foregoing, Clinical Trial includes any Phase 1 Clinical Trial, Phase 1/2 Clinical Trial, Phase 2 Clinical Trial, Phase 3 Clinical Trial or Pivotal Trial.

1.32 "**CMC**" means chemistry manufacturing and controls.

1.33 "**Co-Promotion Agreement**" is defined in Section 11.1 (U.S. Profit-Share Option).

1.34 "**Collaboration Degrader**" means, with respect to a Collaboration Degrader Target Set, a Degrader that (a) is discovered, designed, synthesized, studied, characterized,

optimized or validated under the applicable Research Program and during the applicable Joint Research Term with respect to such Collaboration Degrader Target Set under this Agreement; and (b) is Directed To such Collaboration Degrader Target Set. For clarity, (x) a Collaboration Degrader may or may not contain one (1) or more attachment moieties in its Proteasome Protein Binder, Degrader Spacer, or Degrader Target Binder that enable the conjugation of such Collaboration Degrader to a Degrader-Antibody Linker, and (y) a Collaboration Degrader Directed To a Collaboration Degrader Target Set that, as of the time of determination, is simultaneously both a Collaboration Degrader Target Set and a Licensed Degrader Target Set (as further described in Section 1.38 ("Collaboration Degrader Target Set")) shall be a Collaboration Degrader Directed To such Collaboration Degrader Target Set and, simultaneously, a Licensed Degrader Directed To such Licensed Degrader Target Set, until the expiration of the Joint Research Term applicable to such Collaboration Degrader Target Set (subsequently, upon expiration of the applicable Joint Research Term, such Degrader shall be a Licensed Degrader and not a Collaboration Degrader).

1.35 "**Collaboration Degrader-Antibody Conjugate**" means, with respect to a Collaboration Degrader Target Set, a Degrader-Antibody Conjugate that (a) contains a Collaboration Degrader Directed To such Collaboration Degrader Target Set, and (b) does not contain any Degrader that is not a Collaboration Degrader or a Licensed Degrader.

1.36 "**Collaboration Degrader Criteria**" means, with respect to a Collaboration Degrader Target Set, the set of key properties (as described in the applicable Joint Research Plan) of Collaboration Degraders Directed To such Collaboration Degrader Target Set that must be demonstrated in order to achieve Research Milestone [*].

1.37 "**Collaboration Degrader Target**" means each Degrader Target in a Collaboration Degrader Target Set from and after the applicable Degrader Target Set Selection Date (including, for clarity, each Initial Degrader Target Set and [*], and as each of the foregoing may be replaced by any applicable Replacement Degrader Target Set); *provided*, that such Degrader Target shall no longer be a Collaboration Degrader Target from and after the time that (a) such Degrader Target becomes a Former Collaboration Degrader Target, or (b) the applicable Collaboration Degrader Target Set becomes a Licensed Degrader Target Set and is no longer a Collaboration Degrader Target Set. For clarity, a Collaboration Degrader Target Set may become a Licensed Degrader Target Set and remain a Collaboration Degrader Target Set as further described in Section 1.38 ("Collaboration Degrader Target Set").

1.38 "**Collaboration Degrader Target Set**" means (a) each of the [*] Initial Degrader Target Sets, and (b) [*], in each case ((a) and (b)), as may be replaced with a Replacement Degrader Target Set in accordance with Section 2.2.3 (Collaboration Degrader Target Set Replacement Right) or revised in accordance with Section 2.4 (Addition of Degrader Targets), Section 2.5 (Removal of Collaboration Degrader Targets), or Section 2.6 (Licensed Degrader Target Sets), *provided*, that each such Collaboration Degrader Target Set described above shall no longer be considered a Collaboration Degrader Target Set upon the earlier of (i) such Collaboration Degrader Target Set becoming a Former Collaboration Degrader Target Set, or (ii) both expiration of the Joint Research Term applicable to such Collaboration Degrader Target Set and occurrence of the Degrader License Effective Date with respect to such Collaboration Degrader Target Set. For clarity, (x) there can be no more than [*] Collaboration Degrader Target Sets at any one time, and (y) if the Degrader License Effective Date with respect to a Collaboration Degrader Target Set occurs before the expiration of the Joint Research Term applicable to such Collaboration Degrader Target Set, such Collaboration Degrader Target Set shall be, simultaneously, both a Collaboration Degrader Target Set and a Licensed Degrader Target Set, until the expiration of such Joint Research Term (subsequently, upon expiration of the applicable Joint Research Term, such Degrader Target Set shall be a Licensed Degrader Target Set and not a Collaboration Degrader Target Set).

1.39 "**Collaboration Degrader Target Set Replacement Right**" is defined in Section 2.2.3 (Collaboration Degrader Target Set Replacement Right).

1.40 "**Collaboration Degrader Target Set Replacement Term**" means:

(a) with respect to [*], the period of time beginning on the Effective Date and ending on the first to occur of (i) achievement of the [*] (*i.e.*, Research Milestone [*]) with respect to such Initial Degrader Target Set, (ii) occurrence of the Degrader License Exercise Date with respect to such Initial Degrader Target Set, or (iii) the [*] of the Effective Date, and

(b) with respect to [*], the period of time beginning on the applicable Degrader Target Set Selection Date and ending on the first to occur of (i) achievement of the [*] (*i.e.*, Research Milestone [*]) with respect to such [*], (ii) occurrence of the Degrader License Exercise Date with respect to such [*], or (iii) the later to occur of (A) the [*] of the Effective Date or (B) the [*] of the Degrader Target Set Selection Date for [*].

1.41 "**Combination Product**" means:

(a) a Licensed Product that contains (i) a Licensed Degrader-Antibody Conjugate; and (ii) one (1) or more active pharmaceutical or biological ingredients for which no royalty would be due hereunder if such ingredients were sold separately (each, an "**Additional Active**"), sold as a single formulation for a single price;

(b) a Licensed Product that contains a Licensed Degrader-Antibody Conjugate that is sold for a single price but as separate formulations in a single package, or otherwise co-packaged, combined, or co-administered, with one (1) or more Additional Actives and, in each case, sold for a single price;

(c) a Licensed Product that does not contain a Licensed Degrader-Antibody Conjugate but contains (i) a Licensed Degrader; and (ii) one (1) or more Additional Actives, sold as a single dose for a single price; or

(d) a Licensed Product that does not contain a Licensed Degrader-Antibody Conjugate but contains a Licensed Degrader, that is sold for a single price but as separate formulations in a single package, or otherwise co-packaged, combined, or co-administered, with one (1) or more Additional Actives and, in each case, sold for a single price.

For clarity, under no circumstance shall the Antibody contained in a Licensed Degrader-Antibody Conjugate be considered an Additional Active of a Combination Product under this Agreement.

1.42 "**Commercialization**" means any and all activities directed to the commercialization of a pharmaceutical or biological product, including marketing; detailing; promotion; market research; distributing; order processing; handling returns and recalls; booking sales; customer service; administering and commercially selling such product; and importing, exporting and transporting such product for commercial sale, as well all regulatory compliance with respect to the foregoing. For clarity, "Commercialization" (a) includes Manufacturing for Commercialization, and (b) does not include any Clinical Trials or other trials commenced after Regulatory Approval. When used as a verb, "Commercialize" means to engage in Commercialization. When used as an adjective, "Commercial" means pertaining to Commercialization.

1.43 "**Commercially Reasonable Efforts**" means (a) in general, except as provided in clauses (b) and (c) below, with respect to the efforts and resources to be expended by a Party in connection with such Party's obligations under this Agreement, the [*] efforts and resources [*]; [*].

1.44 "**Committee**" is defined in Section 10.1.1 (JSC Membership).

1.45 "**Competing Product**" is defined in Section 14.9.5(c).

1.46 "**Confidential Information**" means, with respect to a Party, all confidential and proprietary information Controlled by such Party, including chemical or biological materials, chemical structures, research plans, Commercialization plans, correspondence, customer lists, data, Development plans, Manufacturing plans, formulae, improvements, inventions, Know-How, processes, regulatory filings, reports, strategies, techniques or other proprietary information, in each case, that are disclosed or made available by or on behalf of such Party to the other Party or its representatives pursuant to this Agreement or any Ancillary Agreement, regardless of whether any of the foregoing are marked "confidential" or "proprietary" or communicated to the other Party by or on behalf of the Disclosing Party, and regardless of whether disclosed or made available in oral, written, visual, graphic, electronic, or any other form.

1.47 "**Control**," "**Controls**" or "**Controlled**" means, subject to Section 12.3 (Upstream License Agreements) and Section 20.4 (Assignment; Change of Control), with respect to any material, Patent, Know-How, other intellectual property right or Confidential Information, the ability of a Party or its Affiliates, as applicable (whether through ownership or license (other than a license granted in this Agreement or any Ancillary Agreement)) to grant to the other Party the licenses or sublicenses as provided herein, to otherwise disclose such Know-How, intellectual property right or Confidential Information to the other Party, or to grant access to such material to the extent not in violation of the terms of any then-existing agreement with any Third Party at the time such Party or its Affiliates, as applicable, would be required hereunder to grant the other Party such license or sublicenses as provided herein or to otherwise disclose such Know-How, intellectual property right or Confidential Information to the other Party. Notwithstanding the foregoing but subject to Section 12.3 (Upstream License Agreements), in the event of a Change of Control of a Party, then, whether or not this Agreement is assigned to the Acquiring Entity, any Know-How, Patent or other intellectual property rights or Regulatory Material owned or controlled by the Acquiring Entity Family shall not be deemed to be Controlled by such Party after the effective date of such Change of Control transaction for purposes of this Agreement.

1.48 "**Cover**" means, with respect to a Valid Claim in a Patent and a given compound, formulation, process, method or product, that, but for ownership of or rights granted to a Person under such Patent, the developing, making, using, practice, offering for sale, promoting, selling, exporting or importing of such compound, formulation, process, method or product, as applicable, would infringe such Valid Claim, or in the case of a Patent right that is a patent application, would infringe a Valid Claim in such patent application if it were to issue as a Patent.

1.49 "**Cure Period**" is defined in Section 19.2.1(a) (Material Breach).

1.50 "**Damages**" means all losses, costs, claims, damages, judgments, liabilities and expenses (including reasonable attorneys' fees and expenses and other documented and reasonable out-of-pocket costs in connection therewith).

1.51 "**Deemed Exercise**" is defined in Section 5.2 (Degrader License Option Exercise).

1.52 "**Degrader**" means a compound that consists of a Proteasome Protein Binder, a Degrader Spacer, and a Degrader Target Binder.

1.53 "**Degrader-Antibody Conjugate**" means a compound that consists of a Degrader linked via a Degrader-Antibody Linker to an Antibody.

1.54 "**Degrader-Antibody Linker**" means any chemical composition used to conjugate a Degrader to an Antibody.

1.55 "**Degrader-Antibody Linker Technology**" means any method (including method of manufacture) or technology used to conjugate a Degrader to an Antibody, in each case, excluding the chemical moiety itself that is on or part of a Degrader and used as an attachment point on the Degrader to enable the conjugation of such Degrader to a Degrader-Antibody Linker.

1.56 "**Degrader License**" is defined in Section 14.2 (Licensed Degrader License).

1.57 "**Degrader License Effective Date**" is defined in Section 5.4.2 (Effectiveness).

1.58 "**Degrader License Exercise Date**" is defined in Section 5.4.1 (Filings).

1.59 "**Degrader License Fee**" is defined in Section 13.6 (Degrader License Fee).

1.60 "**Degrader License Option**" is defined in Section 5.1 (Degrader License Option).

1.61 "**Degrader License Option Exercise**" is defined in Section 5.2 (Degrader License Option Exercise).

1.62 "**Degrader License Option Exercise Notice**" is defined in Section 5.2 (Degrader License Option Exercise).

1.63 "**Degrader License Option Period**" means, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, the period beginning on the applicable Degrader Target Set Selection Date of such Collaboration Degrader Target Set and ending on the earlier of (a) the date on which the Degrader License Option for such Collaboration Degrader Target Set is (i) exercised or (ii) deemed exercised, in each case, as further described in Section 5.2 (Degrader License Option Exercise); and (b) [*] after the end of the applicable Joint Research Term for such Collaboration Degrader Target Set; *provided*, that the Degrader License Option Period may be extended by Seagen on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis by [*] by [*] in accordance with Section 5.3 (Degrader License Option Period Extension).

1.64 "**Degrader License Option Period Extension**" is defined in Section 5.3 (Degrader License Option Period Extension).

1.65 "**Degrader License Option Period Extension Fee**" is defined in Section 13.5 (Degrader License Option Period Extension Fee).

1.66 "**Degrader Spacer**" means a chemical composition used for linking a Proteasome Protein Binder to a Degrader Target Binder under this Agreement.

1.67 "**Degrader Target**" means an intracellular protein that is:

(a) identified by a GenBank protein accession number or by its amino acid sequence and coded by a genetic locus;

(b) naturally occurring and encoded by (i) a mutant version of the genetic locus referred to in clause (a) or (ii) a splice variation of the RNA transcribed from the genetic locus referred to in clause (a) or clause (b)(i); or

(c) a naturally occurring post-translational modification to any protein referred to in clauses (a) or (b).

A protein falling under clause (a), together with proteins falling under clauses (b) or (c) by reference to such protein or the applicable genetic locus shall, collectively, be considered a single "Degrader Target" for purposes of this Agreement.

1.68 "**Degrader Target Binder**" means any chemical moiety that selectively binds a Degrader Target (including (a) a portion of such moiety sufficient to convey such binding and (b) such moiety or portion thereof as incorporated in a Degrader).

1.69 "**Degrader Target Binder Patent**" means any and all Patents included in the Foreground IP that Cover a Degrader Target Binder that selectively binds one (1) or more Degrader Targets in the applicable Licensed Degrader Target Set.

1.70 "**Degrader Target Screening Notice**" is defined in Section 3.2.2 (Gatekeeper Responsibilities).

1.71 "**Degrader Target Set**" means any set of one (1) or more Degrader Target(s); *provided*, that (a) all Degrader Targets in a Degrader Target Set must be Homologous Targets of each other, and (b) no Degrader Target Set may contain more than [*] Degrader Targets unless the Parties otherwise mutually agree in writing.

1.72 "**Degrader Target Set** [*] **Reservation Fee**" is defined in Section 13.3 (Degrader Target Set [*] Reservation Fee).

1.73 "**Degrader Target Set Reservation Extension Notice**" is defined in Section 2.3.3 (Designation and Payment for Reserved Degrader Target Sets).

1.74 "**Degrader Target Set Selection Date**" means, (a) with respect to [*], the Effective Date, and (b) with respect to [*] and any Replacement Degrader Target Set, if applicable, the date that the Parties mutually agree on the initial Joint Research Plan for such Degrader Target Set as further described in Section 4.1 (Joint Research Plans).

1.75 "**DEL Library**" means the DNA-encoded libraries Controlled by Nurix or its Affiliates and used by or on behalf of Nurix to identify Proteasome Protein Binders or Degrader Target Binders, as may be modified from time to time during the Term.

1.76 "**DEL Library Technology**" means any Know-How Controlled by Nurix or its Affiliates and used by or on behalf of Nurix to (a) make the DEL Library, (b) screen the DEL Library against a biological target, (c) identify compounds in the DEL Library that bind to the target, or (d) develop a structure-binding relationship of the DEL Library compounds that bind to the biological target.

1.77 "**DEL Screen**" means the screening of the DEL Library by Nurix in connection with the performance of its activities under a Joint Research Plan to discover Proteasome Protein Binders and/or Degrader Target Binders that may be used in Degraders under this Agreement.

1.78 "**Development**" means clinical drug development activities and other non-clinical or preclinical development activities with respect to a pharmaceutical or biological product,

including Clinical Trials (and other trials commenced after Regulatory Approval), test method development and stability testing; toxicology testing; formulation and Manufacturing process development, qualification, and validation; quality assurance and quality control for clinical supply; statistical analysis and report writing; preparation and submission of INDs and MAAs; medical and regulatory affairs with respect to the foregoing and all other activities necessary or useful or otherwise requested or required by a Regulatory Authority or as a condition or in support of obtaining or maintaining a Regulatory Approval or Pricing Approval; *provided*, *however*, that "Development" does not include "Research" (as defined herein). For clarity, "Development" includes Manufacturing for Development. When used as a verb, "Develop" means to engage in Development.

1.79 "**Development and Regulatory Milestone Event**" is defined in Section 13.7 (Development and Regulatory Milestones).

1.80 "**Development and Regulatory Milestone Payment**" is defined in Section 13.7 (Development and Regulatory Milestones).

1.81 "**Directed To**" means:

(a) with respect to a Degrader and a single Degrader Target, that the Degrader at issue (i) [*]; (ii) [*] binds such Degrader Target, and (iii) degrades such Degrader Target of such Degrader Target;

(b) with respect to a Degrader and a Degrader Target Set that such Degrader is "Directed To" (as defined in clause (a) above) any one (1) or more Degrader Target(s) in such Degrader Target Set, and is not "Directed To" (as defined in clause (a) above) any Degrader Target(s) not in such Degrader Target Set; *provided*, that if the Degrader Target Set in question for purposes of this clause (b) is a Subset of another Degrader Target Set (such other Degrader Target Set, a "**Parent Target Set**"), the applicable Degrader may be (but is not necessarily) "Directed To" (as defined in clause (a) above) Degrader Target(s) in the Parent Target Set that are not in such Degrader Target Set (*e.g.*, in the case of a Degrader that is "Directed To" (as defined in clause (a) above) both a Subset of a Parent Target Set and the Parent Target Set, itself); and

(c) with respect to an Antibody and a Cell-Surface Antigen, that such Antibody specifically binds to such Cell-Surface Antigen.

For clarity, (i) a Degrader may be "Directed To" (A) more than one Degrader Target and (B) both a Degrader Target Set and a Subset thereof, and (ii) an Antibody may be "Directed To" more than one Cell-Surface Antigen. A Degrader-Antibody Conjugate or Licensed Product will be deemed to be "Directed To" a Degrader Target or Degrader Target Set if such Degrader-Antibody Conjugate or Licensed Product contains a Degrader that is "Directed To" such Degrader Target or Degrader Target Set, as applicable.

1.82 "**Disclosing Party**" is defined in Section 16.1 (Nondisclosure and Non-Use)

1.83 "**Dispute**" is defined in Section 20.6.2(a).

1.84 "**DOJ**" is defined in Section 5.4.1 (Filings).

1.85 "**Effective Date**" is defined in the preamble to this Agreement.

1.86 "**Electronic Delivery**" is defined in Section 20.11 (Counterparts).

1.87 "**EMA**" is defined in Section 1.227 ("Regulatory Authority").

1.88 "**Enforcing Party**" is defined in Section 15.3.3(d).

1.89 [*].

1.90 "**Excluded Degrader Target**" means any Degrader Target that is, as of the time of such determination in accordance with Section 3.1 (Proposed Degrader Target Sets), as applicable: (a) [*], (b) any Former Collaboration Degrader Target or Former Licensed Degrader Target, (c) [*], or (d) [*].

1.91 "**Exclusive Degrader Target Set**" means each Degrader Target Set with respect to which Nurix has exclusivity obligations in accordance with Section 14.9.1 (Collaboration Degrader Target Set Exclusivity), Section 14.9.2 (Reserved Degrader Target Set Exclusivity), Section 14.9.3 (Licensed Degrader Target Set Exclusivity), or Section 14.9.4 ([*] Licensed Degrader Target Set Exclusivity).

1.92 "**Exclusivity Period**" means,

(a) on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, the period of time beginning on the applicable Degrader Target Set Selection Date and ending upon (i) the termination or expiration of the applicable Degrader License Option Period (as may be extended in accordance with Section 5.3 (Degrader License Option Period Extension)) if the applicable Degrader License Option is not exercised prior to the expiration of the applicable Joint Research Term, or (ii) the expiration of the applicable Joint Research Term if the applicable Degrader License Option is exercised (including if deemed to be exercised under Section 5.2 (Degrader License Option Exercise)) prior to the expiration of the applicable Joint Research Term;

(b) on a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, the period of time beginning on the Degrader License Effective Date for such Licensed Degrader Target Set, and ending upon the earlier of (i) termination of the Degrader License with respect to such Licensed Degrader Target Set, or (ii) [*];

(c) on an [*] Licensed Degrader Target Set-by-[*] Licensed Degrader Target Set basis, the period of time beginning on [*] for a Licensed Product containing a Licensed Degrader (including any Licensed Degrader-Antibody Conjugate) that is Pan-Directed To such [*] Licensed Degrader Target Set until the earliest of (i) termination of the Degrader License with respect to such [*] Licensed Degrader Target Set, (ii) the date on which no further payments in or for [*] can be made under this Agreement with respect to Licensed Products containing Licensed Degraders (including any Licensed Degrader-Antibody Conjugate) that are Directed To the applicable Licensed Degrader Target Set (including, for Profit-Share Products, expiration of the relevant profit-sharing period as set forth in the applicable Profit-Share Product Agreement, subject to Section 11.4 (Nurix Opt-Out)), (iii) the [*] anniversary of the Degrader License Effective Date with respect to the applicable Licensed Degrader Target Set, or (iv) the occurrence of [*] for such applicable Licensed Degrader Target Set [*]; and

(d) on a Reserved Degrader Target Set-by-Reserved Degrader Target Set basis, the period beginning on the date a Degrader Target Set becomes a Reserved Degrader Target Set and ending on the date such Degrader Target Set ceases to be a Reserved Degrader Target Set, in each case, as described in Section 2.3 (Reserved Degrader Target Sets).

1.93 "**Executive Officers**" means: (a) with respect to Nurix, the Chief Executive Officer of Nurix or their designee or successor with appropriate decision-making authority; and (b) with respect to Seagen, Seagen's [*] or their designee or successor with appropriate decision-making authority.

1.94 "**Existing Regulatory Materials**" is defined in Section 7.2.1 (Existing Regulatory Materials).

1.95 "**Exploit**" means to make, have made, import, use, sell, or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold, or keep (whether for disposal or otherwise), have used, import, export, transport, distribute, promote, market, or have sold or otherwise dispose of.

1.96 "**FCPA**" means the United States Foreign Corrupt Practices Act (15 U.S.C. § 78dd-1, et seq.) as amended.

1.97 "**FDA**" is defined in Section 1.227 ("Regulatory Authority").

1.98 "**FFDCA**" means the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 301 et seq., as it may be amended from time to time, and the rules, regulations, guidance, guidelines, and requirements promulgated or issued thereunder.

1.99 "**Field**" means any and all uses.

1.100 "**First Commercial Sale**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the first sale of such Licensed Product in such country for monetary value for use or consumption by the general public (following receipt of all Regulatory Approvals and, solely to the extent the marketing and sale of the relevant product without any Pricing Approvals is prohibited under Applicable Law, following receipt of any such Pricing Approvals, that are required in order to sell such Licensed Product in such country) and for which any of Seagen or its Affiliates or Sublicensees has invoiced sales of Licensed Products in the Territory; *provided, however*, that the following will not constitute a First Commercial Sale: (a) any sale to an Affiliate or Sublicensee, unless such Affiliate or Sublicensee is the last Person in the distribution chain of the Licensed Product; (b) any use of such Licensed Product in Clinical Trials or non-clinical research or Development activities with respect to such Licensed Product by or on behalf of a Party; or (c) any disposal or transfer of such Licensed Product for a bona fide charitable purpose, for compassionate use, as samples, and any similar use. For clarity, references herein to "First Commercial Sale" without reference to a specific country are to the First Commercial Sale in any country in the Territory.

1.101 "**First Indication**" is defined in Section 13.7.1.

1.102 "**First Licensed Product**" is defined in Section 13.7.2(b).

1.103 "**Floor**" is defined in Section 13.10.2(d).

1.104 "**Foregone Milestones**" is defined in Section 11.2.3 (Profit-Share Products).

1.105 "**Foreground Antibody/Conjugation IP**" means any and all Foreground IP that is not Foreground DEL IP or Foreground Degrader IP and that primarily relates to any of the following: (a) one (1) or more Antibodies, (b) any modifications of an Antibody, (c) the conjugation of an Antibody to a Degrader, (d) a Degrader-Antibody Linker, or (e) Degrader-Antibody Linker Technology.

1.106 "**Foreground Degrader IP**" means any and all Foreground IP that primarily relates to the composition of matter of any Collaboration Degrader or Licensed Degrader, in each case, as a whole.

1.107 "**Foreground DEL IP**" means any and all Foreground IP that primarily relates to any of the following: (a) the DEL Library; (b) DEL Library Technology; (c) Degrader Target Binders derived from DEL Screens (including any chemical moiety that serves as an attachment point thereon that enables the conjugation of a Degrader containing any such Degrader Target Binder to a Degrader-Antibody Linker, as and to the extent such chemical moiety is attached to such Degrader Target Binder); (d) any Proteasome Protein Binders (including any chemical moiety that serves as an attachment point thereon that enables the conjugation of a Degrader containing any such Proteasome Protein Binder to a Degrader-Antibody Linker, as and to the extent such chemical moiety is attached to such Proteasome Protein Binder); and (e) any Degrader Spacers (including any chemical moiety that serves as an attachment point thereon that enables the conjugation of a Degrader containing any such Degrader Spacer to a Degrader-Antibody Linker, as and to the extent such chemical moiety is attached to such Degrader Spacer), in each case (clauses (a)-(c)), that do not primarily relate to any of the following: (i) one (1) or more Antibodies, (ii) the conjugation of an Antibody to a Degrader, (iii) a Degrader-Antibody Linker, or (iv) Degrader-Antibody Linker Technology.

1.108 "**Foreground IP**" is defined in Section 15.1.2 (Foreground IP).

1.109 "**Foreground Patent**" means any and all Patents included in the Foreground IP.

1.110 "**Former Collaboration Degrader Target**" means (a) each Degrader Target that is in a Former Collaboration Degrader Target Set, and (b) to the extent not included in clause (a), any other Removed Degrader Target.

1.111 "**Former Collaboration Degrader Target Set**" is defined in Section 2.8 (Former Collaboration Degrader Target Sets).

1.112 "**Former Licensed Degrader Target**" means each Degrader Target that is in a Former Licensed Degrader Target Set.

1.113 "**Former Licensed Degrader Target Set**" is defined in Section 2.9 (Former Licensed Degrader Target Sets).

1.114 "**FTC**" is defined in Section 5.4.1 (Filings).

1.115 "**FTE**" is defined in Section 1.122 ("Global Development Costs").

1.116 "**FTE Costs**" is defined in Section 1.122 ("Global Development Costs").

1.117 "**Gatekeeper**" is defined in Section 3.2.1 (Appointment of Gatekeeper).

1.118 "**Gatekeeper Availability Notice**" is defined in Section 3.2.2 (Gatekeeper Responsibilities).

1.119 "**GCP**" means the applicable then-current ethical and scientific quality standards for designing, conducting, recording and reporting Clinical Trials as are required by applicable Regulatory Authorities or Applicable Law in the relevant jurisdiction, and as amended from time to time, including, in the United States, Good Clinical Practices established in FDA regulations set forth in 21 C.F.R. Parts 50, 54, 56, and 58 and analogous rules and regulations as promulgated or endorsed by applicable Regulatory Authorities outside the United States, including Guidelines for

Good Clinical Practice – ICH Harmonized Tripartite Guideline (ICH E6), to the extent such standards are not less stringent than United States GCP.

1.120 "**Generic/Biosimilar Product**" means, with respect to a given Licensed Product in a particular country in the Territory, a pharmaceutical or biological product that (a) is approved for use in such country pursuant to a Regulatory Approval process governing approval of a generic product or biosimilar product of such Licensed Product based on the then-current standards for Regulatory Approval in such country, based upon all or part of the clinical data generated by or on behalf of the Parties pursuant to this Agreement or obtained using an abbreviated, expedited or other process, and (b) is sold in the same country as such Licensed Product by any Third Party that (i) is not a Sublicensee (other than a Sublicensee that has been granted a sublicense to any Foreground Patent by Seagen solely in connection with any settlement) and (ii) did not purchase such pharmaceutical product in a chain of distribution that included any of Seagen, its Affiliates or its or their Sublicensees.

1.121 "**Global Development Cost Estimated Budget**" is defined in Section 11.2.1 (Option Data Package).

1.122 "**Global Development Costs**" means, with respect to a Profit-Share Product, the sum of the FTE Costs and Out-of-Pocket Development Costs incurred by or on behalf of Seagen and its Affiliates for the Development of the applicable Profit-Share Product that is necessary or reasonably useful for obtaining, maintaining, or supporting Regulatory Approval in [*] (including, for the avoidance of doubt, (a) to the extent obtaining, maintaining, or supporting such Regulatory Approval is necessary or reasonably useful for Development or Commercialization in [*], and (b) whether such activities are conducted before or after receipt of such Regulatory Approval), in each case, excluding those Development costs reasonably allocable to Clinical Trials conducted solely to obtain Regulatory Approval in a jurisdiction outside [*] (and not for purposes of obtaining Regulatory Approval in [*]). By way of example, the Development costs of a [*] study would not be included in "Global Development Costs." The Parties shall mutually agree in each Profit-Share Product Agreement on the applicable FTE rate for determination of FTE Costs and a mechanism for adjustments thereto; *provided*, that such rate and mechanism shall be in accordance with then-current industry practice. For purposes of this Section 1.122 ("Global Development Costs"): (i) "**FTE Costs**" means [*]; *provided*, that the FTE Costs shall be calculated in accordance with accounting and reimbursement principles consistent with Seagen's then-current Accounting Standard (such calculation methodology will be discussed and agreed by the applicable Committee in connection with Nurix's exercise of the relevant Profit-Share Option); (ii) "**FTE**" means a full-time equivalent person year as further defined and mutually agreed by the Parties in good faith in the relevant Profit-Share Product Agreement (which definition shall be consistent with Seagen's then-current policies and Accounting Standard); and (iii) "**Out-of-Pocket Development Costs**" means all costs incurred by or on behalf of Seagen and its Affiliates for payments made to Third Parties in the Development of the applicable Profit-Share Product (including CMC Development and the Manufacture of clinical material for Clinical Trials for such Profit-Share Product).

1.123 "**GLP**" means the applicable then-current good laboratory practice standards as are required by applicable Regulatory Authorities or Applicable Law in the relevant jurisdiction, including, in the United States, those promulgated or endorsed by the FDA, including FDA regulations set forth in 21 C.F.R. Part 58, or the equivalent thereof as promulgated or endorsed by the applicable Regulatory Authorities outside of the United States, to the extent such standards are not less stringent than United States GLP.

1.124 "[*]" is defined in Section 13.4 (Research Milestones).

1.125 "**GMP**" means all applicable then-current good manufacturing practice standards relating to fine chemicals, intermediates, bulk products, components, or finished pharmaceutical or

biological products, as are required by applicable Regulatory Authorities or Applicable Law in the relevant jurisdiction, including: (a) all applicable requirements detailed in the FDA's current Good Manufacturing Practices regulations at 21 C.F.R. Parts 210 and 211 and 600-680; (b) all applicable requirements detailed in the EMA's "The Rules Governing Medicinal Products in the European Community, Volume IV, Good Manufacturing Practice for Medicinal Products" and (c) all Applicable Law promulgated by any other Governmental Authority having jurisdiction over the Manufacture of the applicable compound or pharmaceutical or biological product.

1.126 "**Governmental Authority**" means any: (a) federal, state, local, municipal, foreign, or other government; (b) governmental authority of any nature (including any agency, board, body, branch, bureau, commission, council, department, division, office, officer, official, organization, representative, subdivision, unit, and any court or other tribunal); (c) multinational or supranational governmental organization or body; or (d) entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power (including any arbiter) on behalf of a government or governmental authority.

1.127 "**Homologous Target**" means, with respect to the Degrader Target at issue, any Degrader Target that is a paralog of such Degrader Target as reasonably agreed in good faith by the Parties in writing; *provided*, that neither Party shall unreasonably withhold, condition or delay such agreement.

1.128 "**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. § 18a).

1.129 "**IFRS**" means the International Financial Reporting Standards.

1.130 "[*] **Potency Benchmark**" means, with respect to a Collaboration Degrader Target Set, the set of key [*] potency properties (to be described in the applicable Joint Research Plan) of Collaboration Degraders Directed To such Collaboration Degrader Target Set that must be demonstrated (for clarity, demonstrated with respect to such Collaboration Degrader [*], unless otherwise determined by Seagen in its sole discretion) in order to achieve Research Milestone [*].

1.131 "**IND**" means an investigational new drug application (including any amendment or supplement thereto) submitted to the FDA pursuant to 21 C.F.R. Part 312, including any amendments thereto. References herein to IND will include, to the extent applicable, any foreign counterpart of the foregoing filed with a Regulatory Authority outside the U.S. for the investigation of a pharmaceutical or biological product in any other country or group of countries (such as a Clinical Trial Application in the EU) in conformance with the requirements of such Regulatory Authority.

1.132 "[*] **Licensed Degrader Target Set**" is defined in Section 2.7 ([*] Licensed Degrader Target Set).

1.133 "**Indemnification Claim Notice**" is defined in Section 18.2.1 (Indemnification Notice).

1.134 "**Indemnitee**" is defined in Section 18.2.1 (Indemnification Notice).

1.135 "**Indemnitor**" is defined in Section 18.2.1 (Indemnification Notice).

1.136 "**Indication**" means a separate and distinct disease, medical condition or disorder in humans that [*]; *provided*, *however*, that (a) the broadening of use of a product for different stages of a particular disease, condition or disorder shall not be separate Indications; (b) moving from one line of therapy to another for a particular disease, condition or disorder will not be

considered to be a new Indication, (*e.g.*, moving from second line therapy to first line therapy); (c) an Indication for a product includes all uses (*e.g.*, prophylactic and therapeutic uses) for the relevant disease, condition or disorder for all patient populations (*e.g.*, pediatric and adult uses) irrespective of different formulation(s), dosage forms, dosage strengths, or delivery system(s) used; and (d) obtaining a label expansion for use of a product in combination with another product in the same disease, condition or disorder will not be considered to be a new Indication.

1.137 "**Infringement**" is defined in Section 15.3.1 (Notification).

1.138 "**Initial Degrader Target Set**" is defined in Section 2.2.1 (Initial Degrader Target Sets).

1.139 "**Initial Joint Research Plan**" is defined in Section 4.1 (Joint Research Plans).

1.140 "**Initiation**" means, with respect to a pharmaceutical or biological product and a Clinical Trial, the administration of the first dose of such product or placebo to the first ($1^{st}$) patient dosed in such Clinical Trial.

1.141 "**Invention**" means any process, method, composition of matter, article of manufacture, discovery or finding, in each case, that is first conceived or reduced to practice under this Agreement.

1.142 [*]

1.143 "**Joint Foreground IP**" is defined in Section 15.1.2 (Foreground IP).

1.144 "**Joint Foreground Patents**" is defined in Section 15.1.2 (Foreground IP).

1.145 "**Joint Patent Committee**" or "**JPC**" is defined in Section 10.4 (Joint Patent Committee).

1.146 "**Joint Research**" is defined in Section 4.2 (Joint Research Activities).

1.147 "**Joint Research Plan**" means each research plan for each Collaboration Degrader Target Set approved as further described in Section 4.1 (Joint Research Plans) (as such plan may be amended as permitted under this Agreement), which plan shall include the applicable Collaboration Degrader Criteria and the [*] validation criteria (including the applicable [*] Potency Benchmark) for advancement of Collaboration Degraders or Collaboration Degrader-Antibody Conjugates that are Directed To such Collaboration Degrader Target Set as further described in Section 4.1 (Joint Research Plans).

1.148 "**Joint Research Team**" is defined in Section 10.3.1 (Joint Research Team Membership).

1.149 "**Joint Research Term**" means, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, the period beginning upon the applicable Degrader Target Set Selection Date and ending upon the earliest of (a) the completion of the applicable Joint Research Plan for such Collaboration Degrader Target Set, (b) the date that is [*] after the applicable [*], or (c) the date that is [*] after the Effective Date; *provided*, that (x) the Joint Research Term may be extended on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis for [*] by the payment of the Joint Research Term Extension Fee in accordance with Section 4.3 (Joint Research Term Extension), and (y) except as the Parties may otherwise mutually agree in writing, under no circumstances (including any such extension under Section 4.3 (Joint Research Term Extension)) will the Joint Research Term with respect to any

Collaboration Degrader Target Set, including [*] or any Replacement Degrader Target Set, as applicable, extend beyond the date that is [*] after the Effective Date.

1.150 "**Joint Research Term Extension**" is defined in Section 4.3 (Joint Research Term Extension).

1.151 "**Joint Research Term Extension Fee**" is defined in Section 13.2 (Joint Research Term Extension Fee).

1.152 "**JRC**" is defined in Section 10.2.1 (JRC Membership).

1.153 "**JRC Co-Chairs**" is defined in Section 10.2.2 (JRC Co-Chairs).

1.154 "**JSC**" is defined in Section 10.1.1 (JSC Membership).

1.155 "**JSC Co-Chairs**" is defined in Section 10.1.1 (JSC Membership).

1.156 "**Know-How**" means any and all proprietary or confidential algorithms, data, information, inventions, knowledge, methods (including methods of use or administration or dosing), practices, results, software, techniques, technology and trade secrets, including analytical and quality control data, analytical methods (including applicable reference standards), assays, biomarkers, batch records, chemical structures and formulations, compositions of matter, formulae, manufacturing data, pharmacological, toxicological and clinical test data and results, processes, reports, research data, research tools, sequences, standard operating procedures and techniques, in each case, whether patentable or not, and, in each case, tangible manifestations thereof.

1.157 "**Licensed Degrader**" means, with respect to a Licensed Degrader Target Set, any Collaboration Degrader Directed To such Licensed Degrader Target Set (for clarity, or a Subset thereof). For clarity, (a) a Licensed Degrader may or may not contain one (1) or more attachment moieties in its Proteasome Protein Binder, Degrader Spacer, or Degrader Target Binder that enable the conjugation of such Licensed Degrader to a Degrader-Antibody Linker, and (b) a Licensed Degrader Directed To a Licensed Degrader Target Set that, as of the time of determination, is simultaneously both a Licensed Degrader Target Set and a Collaboration Degrader Target Set (as further described in Section 1.159 ("Licensed Degrader Target Set")) shall be a Licensed Degrader Directed To such Licensed Degrader Target Set and, simultaneously, a Collaboration Degrader Directed To such Collaboration Degrader Target Set, until the expiration of the Joint Research Term applicable to such Collaboration Degrader Target Set (subsequently, upon expiration of the applicable Joint Research Term, such Degrader shall be a Licensed Degrader and not a Collaboration Degrader).

1.158 "**Licensed Degrader Target**" means each Degrader Target in a Licensed Degrader Target Set from and after the applicable Degrader License Effective Date; *provided*, that such Degrader Target shall no longer be a Licensed Degrader Target from and after the time that such Degrader Target becomes a Former Licensed Degrader Target.

1.159 "**Licensed Degrader Target Set**" means a Collaboration Degrader Target Set for which the Degrader License Effective Date has occurred in accordance with Section 5.2 (Degrader License Option Exercise). For clarity, (a) there can be no more than [*] Licensed Degrader Target Sets at any one time (provided that, unless the context otherwise requires, a Licensed Degrader Target Set and its Subsets, including any [*] Licensed Degrader Target Set, shall be considered a single Licensed Degrader Target Set hereunder), and (b) if the Degrader License Effective Date with respect to a Collaboration Degrader Target Set occurs before the expiration of the Joint Research Term applicable to such Collaboration Degrader Target Set, such Collaboration Degrader Target Set is considered, simultaneously, both a Licensed Degrader Target Set and a Collaboration

Degrader Target Set, until the expiration of such applicable Joint Research Term (subsequently, upon expiration of the applicable Joint Research Term, such Degrader Target Set shall be a Licensed Degrader Target Set and not a Collaboration Degrader Target Set).

1.160 "**Licensed Degrader-Antibody Conjugate**" means, with respect to a Licensed Degrader Target Set, a Degrader-Antibody Conjugate that (a) contains a Licensed Degrader that is Directed To such Licensed Degrader Target Set (for clarity, or a Subset thereof) and (b) does not contain any Degrader that is not a Licensed Degrader. For clarity, any Degrader-Antibody Conjugate that contains (x) a Licensed Degrader and (y) a Collaboration Degrader that is not a Licensed Degrader, shall not be considered a Licensed Degrader-Antibody Conjugate.

1.161 "**Licensed Product**" means any pharmaceutical or biological preparation that is a Licensed Degrader or Licensed Degrader-Antibody Conjugate (in all presentations and formulations including all manners of delivery, strengths and dosages).

1.162 "**MAA**" means a Marketing Authorization Application or similar application, as applicable, and all amendments and supplements thereto, submitted to the FDA, EMA or other Regulatory Authority to obtain marketing approval (but excluding Pricing Approval) for a pharmaceutical or biological product in the U.S., EU, or other country or group of countries. For clarity, an MAA includes an NDA.

1.163 "**Manufacture**" means all activities related to the manufacturing of a pharmaceutical or biological product or any component or ingredient thereof, including the production, manufacture, having manufactured, processing, filling, finishing, packaging, labeling, assembling, shipping and holding (including storage) of product or any intermediate thereof, including process development, process qualification and validation, scale-up, commercial manufacture and analytic development, product characterization, stability testing, quality assurance and quality control and release. When used as a verb, "Manufacture" means to engage in Manufacture.

1.164 "**Material Transfer Agreement**" is defined in Section 4.6 (Seagen-Provided Property).

1.165 "**Milestone Event**" means any Research Milestone Event, Development and Regulatory Milestone Event, or Sales Milestone Event, as applicable.

1.166 "**Milestone Payment**" means any Research Milestone Payment, Development and Regulatory Milestone Payment, or Sales Milestone Payment, as applicable.

1.167 "**NDA**" means, with respect to a pharmaceutical product, a New Drug Application submitted to the FDA in accordance with the FFDCA, and with respect to a biological product, a Biologics License Application submitted to the FDA in accordance with the Public Health Service Act and the applicable regulations promulgated thereunder.

1.168 "**Net Sales**" means, with respect to a Licensed Product for any period during the Term, the gross amount billed or invoiced by Seagen or any of its Affiliates or its or their Sublicensees for the sale of a Licensed Product to a Third Party commencing with the First Commercial Sale of such Licensed Product less the following deductions determined in accordance with the Accounting Standard of Seagen, its Affiliates or Sublicensees from such gross amounts which are actually incurred, allowed, accrued or specifically allocated:

1.1.1 [*];

1.1.2 [*];

1.1.3 [*];

1.1.4 [*];

1.1.5 [*];

1.1.6 [*];

1.1.7 [*];

1.1.8 [*]; and

1.1.9 [*].

Net Sales shall not include transfers or dispositions of such Licensed Product for pre-clinical or clinical purposes, compassionate use or as samples, in each case, without charge. Such Party's, its Affiliates' or its or their Sublicensees' transfer of any Licensed Product to an Affiliate or Sublicensee shall not result in any Net Sales unless the transferee is an end user.

In the event that a Licensed Product is sold in any country in the form of a Combination Product, Net Sales of such Combination Product shall be adjusted by multiplying actual Net Sales of such Combination Product in such country calculated pursuant to the foregoing definition of "Net Sales" by the fraction [*]. If either such Licensed Product that contains the applicable Licensed Degrader or Licensed Degrader-Antibody Conjugate as its sole active ingredient or any such product that solely contains Additional Active(s) is not sold separately (including in the case of the sale of a combination therapy that contains the Licensed Degrader but it is not sold separately) in a particular country, then the adjustment to Net Sales shall be determined by [*]. In the event that a dispute arises regarding the allocation mechanism under this paragraph, the Dispute shall be resolved [*].

1.169 "**Non-Enforcing Party**" is defined in Section 15.3.3(d).

1.170 "**Notice of Dispute**" is defined in Section 20.6.2(a).

1.171 "**Nurix**" is defined in the preamble to this Agreement.

1.172 "**Nurix Background In-Licensed IP**" is defined in Section 12.3 (Upstream License Agreements).

1.173 "**Nurix Background IP**" is defined in Section 15.1.1 (Background IP).

1.174 "**Nurix Co-Promotion Plan**" is defined in Section 11.2.5 (Co-Promotion Criteria).

1.175 "**Nurix Foreground In-Licensed IP**" is defined in Section 12.3 (Upstream License Agreements).

1.176 "**Nurix Foreground IP**" is defined in Section 15.1.2 (Foreground IP).

1.177 "**Nurix Foreground Patents**" is defined in Section 15.1.2 (Foreground IP).

1.178 "**Nurix Indemnitee**" is defined in Section 18.1.1 (Indemnification by Seagen).

1.179 "**Nurix IP**" means the Nurix Patents and the Nurix Know-How (for clarity, excluding any Joint Foreground IP).

1.180 "**Nurix Know-How**" means any and all Know-How that, as between the Parties, is solely Controlled by Nurix or any of its Affiliates as of the Effective Date or thereafter during the Term which is necessary or reasonably useful for the research, Development, Manufacture or Commercialization of any Collaboration Degrader or Collaboration Degrader-Antibody Conjugate, including any Licensed Product, in the Field in the Territory.

1.181 "**Nurix Materials**" means any materials made, generated or developed by Nurix, and any information that is necessary to apprise Seagen of the stability, proper storage and safe handling requirements for such materials, in each case, Controlled by Nurix or its Affiliates that are necessary or reasonably useful to the Parties' Research activities under this Agreement or are necessary or reasonably useful to the research, Development, Manufacture, or Commercialization of Collaboration Degraders, Collaboration Degrader-Antibody Conjugates or Licensed Products (as applicable), including all applicable assays, Know-How and tangible materials related to the foregoing and actually provided by Nurix to Seagen in accordance with Section 4.7 (Nurix-Provided Property) for use with respect to the Parties' research activities under this Agreement.

1.182 "**Nurix Opt-In Agreement(s)**" is defined in Section 11.1 (U.S. Profit-Share Option).

1.183 "**Nurix Opt-Out Date**" is defined in Section 11.4.2 (Opt-Out Date and Wind-Down).

1.184 "**Nurix Opt-Out Notice**" is defined in Section 11.4.1 (Opt-Out Notice).

1.185 "**Nurix Patent**" means any Patent that, as between the Parties, is solely Controlled by Nurix or any of its Affiliates as of the Effective Date or thereafter during the Term that Covers the research, Development, Manufacture or Commercialization of any Collaboration Degrader or Collaboration Degrader-Antibody Conjugate, including any Licensed Product, in the Field in the Territory, including all such Patents that are Nurix Foreground Patents.

1.186 "**Nurix Research**" is defined in Section 4.2 (Joint Research Activities).

1.187 "**Nurix Resources**" is defined in Section 11.2.5 (Co-Promotion Criteria).

1.188 "**Opt-Out Wind-Down Period**" is defined in Section 11.4.2 (Opt-Out Date and Wind-Down).

1.189 "**Option Data Package**" is defined in Section 11.2.1 (Option Data Package).

1.190 "**Other Reversion License Agreement**" is defined in Section 14.3.2 (Potential Reversion Products).

1.191 "**Out-of-Pocket Development Costs**" is defined in Section 1.122 ("Global Development Costs").

1.192 "**Outside Date**" is defined in Section 5.4.3 (Outside Date).

1.193 "[*]" is defined in Schedule 2.2.1 (Initial Degrader Target Sets).

1.194 "[*]" is defined in Schedule 2.2.1 (Initial Degrader Target Sets).

1.195 "**Pan-Directed To**" means, with respect to any Degrader Target Set, that (a) the Degrader at issue (i) is Directed To all Degrader Targets in such Degrader Target Set and no other Degrader Target, (ii) selectively binds all of the Degrader Target(s) in such Degrader Target Set, (iii) degrades all of the Degrader Target(s) in such Degrader Target Set; and (iv) has been optimized to cause pharmacologically relevant activity as a result of such degradation of such Degrader Target(s) in such Degrader Target Set; or (b) the Degrader-Antibody Conjugate at issue contains a Degrader that is Pan-Directed To (as defined in clause (a) above) such Degrader Target Set. For clarity, if the applicable Degrader Target Set contains only one (1) Degrader Target, then a Degrader or Degrader-Antibody Conjugate that is Directed To such Degrader Target is also considered Pan-Directed To such Degrader Target Set. A Licensed Product will be deemed to be "Pan-Directed To" a Degrader Target Set if such Licensed Product contains a Licensed Degrader or Licensed Degrader-Antibody Conjugate that is "Pan-Directed To" such Degrader Target Set.

1.196 "**Parent Target Set**" is defined in Section 1.81(b).

1.197 "**Party**" is defined in the preamble to this Agreement.

1.198 "**Patent**" means: (a) any patent or patent application in any country or supranational jurisdiction worldwide; (b) any substitution, divisional, continuation, continuation-in-part, reissue, renewal, registration, confirmation or the like of any such patent or patent application or (c) any extension or restoration by existing or future extension or restoration mechanism, including revalidation, reissue, re-examination or extension, including any supplementary protection certificate and extension thereto of any of the foregoing.

1.199 "**Patent Dispute**" is defined in Section 20.6.1 (Choice of Law).

1.200 "**Permitted Subcontractors**" is defined in Section 14.4 (Subcontracting).

1.201 "**Person**" means any individual, partnership, joint venture, limited liability company, corporation, firm, trust, association, unincorporated organization, Governmental Authority or any other entity not specifically listed herein.

1.202 "**Phase 1 Clinical Trial**" means a Clinical Trial which provides for the initial introduction into humans of a pharmaceutical or biological product, conducted in healthy volunteers or patients to obtain information on product safety, tolerability, pharmacological activity or pharmacokinetics, as defined in 21 C.F.R. § 312.21(a) or its foreign equivalents.

1.203 "**Phase 1/2 Clinical Trial**" means a Clinical Trial that combines both a Phase 1 Clinical Trial and a Phase 2 Clinical Trial into a single protocol, where the Phase 1 Clinical Trial portion is performed first to (a) establish initial safety, tolerability, pharmacokinetic and pharmacodynamic information for a pharmaceutical or biological product as a monotherapy or in combination with another agent and (b) determine the maximum tolerable dose of such product, and the Phase 2 Clinical Trial portion is performed second to evaluate the safety and efficacy of such product as a monotherapy or in combination with another agent in subjects with a target disease or medical condition treated with a selected dose. For clarity, "Phase 1/2 Clinical Trial" shall include any Clinical Trial that includes any combination of the portions of a Phase 1 Clinical Trial and a Phase 2 Clinical Trial, including a Phase 1b/2a Clinical Trial or a Phase 1b/2 Clinical Trial.

1.204 "**Phase 2 Clinical Trial**" means a controlled Clinical Trial, the principal purposes of which are the evaluation of the efficacy of a pharmaceutical or biological product in a target patient population and a determination of the common side-effects and risks associated with the product in the dosage range under evaluation, and to obtain sufficient additional information to permit the design of a Pivotal Trial, and is otherwise consistent with 21 C.F.R. §312.21(b) or its

foreign equivalents. For clarity, "Phase 2 Clinical Trial" will exclude in all cases any combined Phase 1/2 Clinical Trial.

1.205 "**Phase 3 Clinical Trial**" means a controlled Clinical Trial to evaluate the efficacy and safety of a pharmaceutical or biological product, which is prospectively designed to demonstrate with statistical rigor whether such product is effective and safe for use in a particular Indication in a manner sufficient to support a filing for an MAA, and is otherwise consistent with the requirements of 21 C.F.R. § 312.21(c) or its foreign equivalents.

1.206 "**Pivotal Trial**" means an expanded Clinical Trial of a pharmaceutical or biological product that: (a) is prospectively designed to demonstrate that a product is safe and effective for use in a particular Indication in a manner sufficient to evaluate the overall risk-benefit relationship of the product and to provide an adequate basis for physician labeling; (b) is intended to provide sufficient efficacy data to support the filing of a MAA for such product without the need for any additional Clinical Trials; and (c) which, at the time of Initiation of such Clinical Trial, is expected to be the basis for European Union Regulatory Approval of such product or Regulatory Approval by the FDA of such product, in each case, based on discussions with the relevant Regulatory Authority. For clarity, (x) a Phase 3 Clinical Trial (as defined herein) is always a "Pivotal Trial," and (y) a Phase 2 Clinical Trial, Phase 1/2 Clinical Trial, Phase 1 Clinical Trial, or other Clinical Trial (such as a "Phase 2b/3" Clinical Trial) (as such terms are defined herein) are only a "Pivotal Trial" if all conditions of this definition are met.

1.207 "**PMDA**" is defined in Section 1.227 ("Regulatory Authority").

1.208 "**Potential Reversion Product**" is defined in Section 14.3.2 (Potential Reversion Products).

1.209 "**Pricing Approval**" means all approvals, agreements, determinations or decisions establishing prices that can be charged to consumers or third-party payors for a pharmaceutical or biological product or that will be reimbursed by Governmental Authorities for a pharmaceutical or biological product, in each case, in a country where Governmental Authorities approve or determine pricing for pharmaceutical or biological products for reimbursement or otherwise.

1.210 "**Prior CDA**" is defined in Section 20.10 (Entire Agreement).

1.211 "**Product Patent**" means: (a) with respect to any Licensed Product containing a Licensed Degrader-Antibody Conjugate, any and all Foreground Patents that include at least one (1) claim that claims the entirety of such Licensed Product, the Licensed Degrader-Antibody Conjugate contained in such Licensed Product, or the Licensed Degrader contained in such Licensed Degrader-Antibody Conjugate; and (b) with respect to any Licensed Product containing a Licensed Degrader and not containing a Licensed Degrader-Antibody Conjugate, any and all Foreground Patents that include at least one (1) claim that claims the entirety of such Licensed Product or the Licensed Degrader contained in such Licensed Product. For clarity, no "Product Patents" exist with respect to a Licensed Product prior to the applicable Degrader License Effective Date, but Patents existing prior to the Degrader License Effective Date may become Product Patents upon the Degrader License Effective Date.

1.212 "**Profit-Share Option**" is defined in Section 11.1 (U.S. Profit-Share Option).

1.213 "**Profit-Share Option Exercise Notice**" is defined in Section 11.2.2 (Option Exercise).

1.214 "**Profit-Share Option Exercise Period**" is defined in Section 11.2.2 (Option Exercise).

1.215 "**Profit-Share Option Triggering Event**" means, with respect to each Licensed Product for so long as Nurix may exercise a Profit-Share Option in accordance with Section 11.1 (U.S. Profit-Share Option) and Seagen has an obligation to deliver an Option Data Package with respect to the Licensed Product pursuant to Section 11.2.1 (Option Data Package), (a) [*], or (b) otherwise, the [*].

1.216 "**Profit-Share Product**" is defined in Section 11.1 (U.S. Profit-Share Option).

1.217 "**Profit-Share Product Agreement**" is defined in Section 11.1 (U.S. Profit-Share Option).

1.218 "**Proposed Degrader Target Set**" is defined in Section 3.1.1 (Proposed Degrader Target Set Notice).

1.219 "**Proposed Degrader Target Set Notice**" is defined in Section 3.1.1 (Proposed Degrader Target Set Notice).

1.220 "**Prosecution and Maintenance**" or "**Prosecute and Maintain**" means, with regard to a Patent, the preparation, filing, prosecution and maintenance of such Patent, as well as re-examinations, reissues and appeals with respect to such Patent, together with the initiation or defense of interferences, oppositions, *inter partes* review, derivations, re-examinations, post-grant proceedings and other similar proceedings (or other defense proceedings with respect to such Patent, but excluding the defense of challenges to such Patent as a counterclaim in an infringement proceeding) with respect to the particular Patent, and any appeals therefrom, and actions to obtain patent term extensions and supplementary protection certificates with respect to such Patent and the like. For clarification, "Prosecution and Maintenance" or "Prosecute and Maintain" will not include any other enforcement actions taken with respect to a Patent.

1.221 "**Proteasome Protein**" means any protein component of the Ubiquitin Proteasome System that is capable of initiating proteasome-dependent degradation of a Degrader Target when such protein component is bound to a Degrader, including, for clarity, any E3 ubiquitin ligase. For purposes of this Section 1.221 ("Proteasome Protein"), "**Ubiquitin Proteasome System**" means the eukaryotic intracellular ubiquitin-proteasome protein degradation system, including, for clarity, ubiquitin, any protein members of the proteasome, and any E3 ubiquitin ligase (but, for clarity, not including any Degrader Target).

1.222 "**Proteasome Protein Binder**" means any chemical moiety that selectively binds a Proteasome Protein (including (a) a portion of such moiety sufficient to convey such binding and (b) such moiety or portion thereof as incorporated in a Degrader under this Agreement).

1.223 "**Publication**" is defined in Section 16.8 (Publications).

1.224 "**Publishing Party**" is defined in Section 16.8 (Publications).

1.225 "**Receiving Party**" is defined in Section 16.1 (Nondisclosure and Non-Use).

1.226 "**Regulatory Approval**" means all approvals, licenses or authorizations of the applicable Regulatory Authority necessary for the marketing and sale of a pharmaceutical or biological product in a country or region (but excluding separate Pricing Approvals), and any supplements or amendments thereto including approval by the applicable Regulatory Authority of any expansion or modification of the label for such product.

1.227 "**Regulatory Authority**" means any national, multinational, supranational, regional, state or local Governmental Authority, including the U.S. Food and Drug Administration (and any successor entity thereto) (the "**FDA**") in the U.S., the European Medicines Agency (and any successor entity thereto) (the "**EMA**") in the EU or any counterpart to the foregoing agencies, such as the Pharmaceutical and Medical Device Agency in Japan ("**PMDA**"), that in each case, holds responsibility for regulating Development, Manufacturing, and Commercialization activities, and the granting of Regulatory Approval for, a pharmaceutical or biological product in the applicable country or region.

1.228 "**Regulatory Exclusivity**" means, with respect to a Licensed Product, any rights or protections which are recognized, afforded or granted by the FDA or any other Regulatory Authority in any country or region of the Territory, in association with the Regulatory Approval of the Licensed Product, providing the Licensed Product (a) a period of regulatory exclusivity during which a Regulatory Authority will refrain from accepting, reviewing, approving or extending an MAA or similar regulatory submission submitted by a Third Party seeking to market a Generic/Biosimilar Product of such Licensed Product, including any period of orphan drug exclusivity, or (b) a period of marketing protection during which a Generic/Biosimilar Product of such Licensed Product may obtain a Regulatory Approval but is not permitted to be placed on the market under Applicable Law.

1.229 "**Regulatory Materials**" means the registrations, applications, authorizations and Regulatory Approvals (including approvals of MAAs, supplements and amendments, pre- and post-approvals, Pricing Approvals and labeling approvals) and other submissions made to or with any Regulatory Authority, including drug master files, for research, Development (including the conduct of Clinical Trials), Manufacture or Commercialization of a pharmaceutical or biological product in a regulatory jurisdiction, together with all related correspondence to or from any Regulatory Authority and all documents referenced in the complete regulatory chronology for each NDA, MAA, IND and foreign equivalents of any of the foregoing.

1.230 "**Removed Degrader Target**" is defined in Section 2.5.1 (Amendment of Joint Research Plan).

1.231 "**Replacement Degrader Target Set**" is defined in Section 2.2.3 (Collaboration Degrader Target Set Replacement Right).

1.232 "**Research**" means any pre-clinical or non-clinical research or development activities, including any related manufacturing activities, including Collaboration Degrader Target Set validation, drug discovery, identification or synthesis, with respect to a Collaboration Degrader Target Set, Collaboration Degrader, or Collaboration Degrader-Antibody Conjugate. When used as a verb, "Research" means to engage in Research.

1.233 "**Research Milestone #2**" is defined in Section 13.4 (Research Milestones).

1.234 "**Research Milestone #3**" is defined in Section 13.4 (Research Milestones).

1.235 "**Research Milestone Event**" is defined in Section 13.4 (Research Milestones).

1.236 "**Research Milestone Payment**" is defined in Section 13.4 (Research Milestones).

1.237 "**Research Program**" means, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, all Joint Research activities undertaken under the Joint Research Plan for such Collaboration Degrader Target Set, to identify compounds that are

Collaboration Degraders and Collaboration Degrader-Antibody Conjugates, in each case, that are Directed To such Collaboration Degrader Target Set.

1.238 "**Research Results**" means any Research data, relevant compound structures (including structures of Degraders, Proteasome Protein Binders, Degrader Spacers and Degrader Target Binders), material, results or other information related to or otherwise arising under or out of any Joint Research activities or Seagen Research activities, to the extent in existence and in the Control of Nurix or Seagen, as applicable, at the time that such material, results or information is required to be disclosed to the other Party in accordance with Section 4.8 (Information Sharing).

1.239 "**Reservation Period**" is defined in Section 2.3.1 (General).

1.240 "**Reserved Degrader Target Set**" is defined in Section 2.3.1 (General).

1.241 [*]

1.242 "**Reversion Product**" means, upon any Licensed Degrader Target Set becoming a Former Licensed Degrader Target Set, (a) any Profit-Share Product containing a Licensed Degrader or Licensed Degrader-Antibody Conjugate, in each case, Directed To such Former Licensed Degrader Target Set, and (b) any Licensed Product for which [*] comprising a Licensed Degrader Directed To such Former Licensed Degrader Target Set that does not contain a Licensed Degrader-Antibody Conjugate (a Licensed Product satisfying clause (b), a "**Reverted Standalone Degrader**").

1.243 "**Reversion Product License Agreement**" is defined in Section 14.3.1 (Reversion Product License Agreement).

1.244 "**Reverted Standalone Degrader**" is defined in Section 1.242 ("Reversion Product").

1.245 "**Reviewing Party**" is defined in Section 16.8 (Publications).

1.246 "**Royalty Patents**" means, collectively, with respect to a Licensed Product, any and all (a) [*] Patents, in each case, claiming [*] and (b) [*]. For clarity, the "Royalty Patents" shall not include [*].

1.247 "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country by country basis, the period of time commencing on the First Commercial Sale of such Licensed Product in such country and ending upon the last to occur of: (a) the expiration of the last-to-expire Royalty Patent having at least one Valid Claim that Covers such Licensed Product as it is sold in such country; (b) the expiration of all Regulatory Exclusivity for such Licensed Product in such country; and (c) [*] years after the First Commercial Sale of such Licensed Product in such country.

1.248 "**Rules**" is defined in Section 20.6.3 (Arbitration)

1.249 "**Sales Milestone Event**" is defined in Section 13.8 (Sales-Based Milestones).

1.250 "**Sales Milestone Payment**" is defined in Section 13.8 (Sales-Based Milestones).

1.251 "**Seagen**" is defined in the preamble to this Agreement.

1.252 "**Seagen Background IP**" is defined in Section 15.1.1 (Background IP).

1.253 "**Seagen Desired Degrader Targets**" is defined in Section 3.2.2 (Gatekeeper Responsibilities).

1.254 "**Seagen Foreground IP**" is defined in Section 15.1.2 (Foreground IP).

1.255 "**Seagen Foreground Patents**" is defined in Section 15.1.2 (Foreground IP).

1.256 "**Seagen Inactive Period**" means, with respect to a Licensed Degrader Target Set, any consecutive [*] period (a) beginning after the applicable Degrader License Effective Date and (b) during which Seagen has not, directly or indirectly (including with or through any Affiliate or Third Party), [*]. Notwithstanding the foregoing, a Seagen Inactive Period will not be deemed to have occurred unless and until (A) Nurix notifies Seagen in writing of its good faith belief that a Seagen Inactive Period has occurred with respect to a [*] (the "**Seagen Inactive Period Notice**") and (B) the passage of [*] days following delivery of such notice; *provided*, that if Seagen disputes that a Seagen Inactive Period has occurred and so notifies Nurix within [*] of delivery to Seagen of Nurix's written notice, a Seagen Inactive Period will not be deemed to have occurred unless and until (1) the Parties mutually agree in writing that a Seagen Inactive Period has occurred or (2) the conclusion of a dispute resolution process under Section 20.6 (Choice of Law; Dispute Resolution; Jurisdiction) resulting in a final determination that a Seagen Inactive Period has occurred. Notwithstanding anything to the contrary in this Agreement, any Seagen activities undertaken after receipt of the Seagen Inactive Period Notice will not be considered in determining whether or not a Seagen Inactive Period has occurred, and any exercise by Seagen of its final decision-making authority under in Section 10.6 (Committee Decisions) not to conduct the activities described in the foregoing clauses (b)(ii) or (b)(iii) shall not be considered in any determining whether or not a Seagen Inactive Period has occurred.

1.257 "**Seagen Inactive Period Notice**" is defined in Section 1.256 ("Seagen Inactive Period").

1.258 "**Seagen Indemnitee**" is defined in Section 18.1.2 (Indemnification by Nurix).

1.259 "**Seagen IP**" means the Seagen Patents and the Seagen Know-How (for clarity, excluding any Joint Foreground IP).

1.260 "**Seagen Know-How**" means any and all Know-How that, as between the Parties, is solely Controlled by Seagen or any of its Affiliates as of the Effective Date or thereafter which is necessary or reasonably useful for the Research, Development, Manufacture or Commercialization of a Licensed Product in the Field in the Territory.

1.261 "**Seagen Materials**" means any materials made, generated or developed by Seagen, and any information that is necessary to apprise Nurix of the stability, proper storage and safe handling requirements for such materials, in each case, Controlled by Seagen or its Affiliates and provided by Seagen to Nurix in accordance with Section 4.6 (Seagen-Provided Property) for use with respect to the Parties' Research activities under this Agreement.

1.262 "**Seagen Patent**" means any Patent that, as between the Parties, is solely Controlled by Seagen or any of its Affiliates (other than by operation of the licenses granted by Nurix to Seagen under this Agreement or any Ancillary Agreement) as of or after the Effective Date and that Covers the research, Development, Manufacture or Commercialization of a Licensed Product in the Field in the Territory, including all such Patents that are Seagen Foreground Patents.

1.263 "**Seagen Prosecution Step-In Patent**" is defined in Section 15.2.2(c).

1.264 "**Seagen Research**" is defined in Section 4.2 (Joint Research Activities).

1.265 "**Seagen Research Term**" is defined in Section 4.4 (Seagen Research Activities).

1.266 "**Seagen Safety Review Committee**" means (a) Seagen's global safety risk management committee responsible for reviewing Development or Commercialization activities with respect to safety matters for Seagen and its Affiliates' entire portfolio established and conducted in accordance with Seagen's internal policies governing the management of global safety risk for products Developed or Commercialized by or on behalf of Seagen, or (b) successor committee(s) that may be in effect following the Effective Date that satisfy the conditions described in clause (a) above.

1.267 "**Second Indication**" is defined in Section 13.7.1.

1.268 "**Second Licensed Product**" is defined in Section 13.7.2(b).

1.269 "**Securities Regulator**" is defined in Section 16.3.1(a).

1.270 "**Segregate**" means, with respect to a Competing Product and an applicable Exclusive Degrader Target Set, to segregate the research, Development, Manufacture and Commercialization activities relating to such Competing Product conducted by or on behalf of the applicable Party from the Research, Development, Manufacture and Commercialization activities conducted by or on behalf of the applicable Party with respect to the Exclusive Degrader Target Set and Collaboration Degraders (if any) Directed To such Exclusive Degrader Target Set, including ensuring that: (a) no personnel involved in performing the research, Development, Manufacture or Commercialization, as applicable, of such Competing Product have access to non-public plans or non-public information relating to the Research, Development, Manufacture or Commercialization of the Exclusive Degrader Target Set or Collaboration Degraders (if any) Directed To such Exclusive Degrader Target Set, including all applicable Research Results and any other relevant Confidential Information of the Parties under this Agreement; and (b) no personnel involved in performing the Research, Development, Manufacture or Commercialization of the Exclusive Degrader Target Set or Collaboration Degraders (if any) Directed To such Exclusive Degrader Target Set have access to non-public plans or information relating to the research, Development, Manufacture or Commercialization of such Competing Product; *provided*, that in either case ((a) or (b)), [*].

1.271 "**Subcommittee**" is defined in Section 10.1.1 (JSC Membership).

1.272 "**Sublicensee**" means, with respect to Seagen, a Third Party to whom Seagen has granted a sublicense or license in accordance with Section 14.5 (Sublicensing), either directly or indirectly, in each case, of the Degrader License rights licensed to Seagen by Nurix pursuant to this Agreement, but excluding: (a) any Third Party acting as a service provider, vendor or distributor for Seagen or its Affiliates, and (b) Nurix and any of its Affiliates.

1.273 "**Subset**" means, with respect to any Degrader Target Set containing more than one (1) Degrader Target, any smaller Degrader Target Set comprising some (but not all), or any one, of the Degrader Targets included in such Degrader Target Set. By way of example and not limitation, [*]. For clarity, (w) a Subset of a Degrader Target Set is also considered a "Degrader Target Set" hereunder, (x) no Degrader Target Set is considered a Subset of itself, (y) each Degrader Target included in a Degrader Target Set containing more than one (1) Degrader Target is a Subset of such Degrader Target Set, and (z) with respect to any Degrader Target Set containing only one (1) Degrader Target, no Subsets exist for such Degrader Target Set.

1.274 "**Supplementary Option Data Package**" is defined in Section 11.2.1 (Option Data Package).

1.275 "**Taxes**" is defined in Section 13.11.6(a) (Generally).

1.276 "**Term**" is defined in Section 19.1 (Term; Expiration).

1.277 "**Territory**" means worldwide.

1.278 [*]

1.279 [*]

1.280 "**Third Party**" means any Person other than (a) Nurix or Seagen, or (b) an Affiliate of Nurix or of Seagen.

1.281 "**Third Party Claim**" means any and all Actions brought by a Third Party.

1.282 "**Third Party Infringement Claim**" is defined in Section 15.4.1 (Notification).

1.283 "**Ubiquitin Proteasome System**" is defined in Section 1.221 ("Proteasome Protein").

1.284 "**United States**" or "**U.S.**" means the United States of America and all of its territories and possessions.

1.285 "**U.S. Tax Forms**" is defined in Section 13.11.6(b) (Tax Withholding).

1.286 "**Unprotected Licensed Product**" means, on a Licensed Degrader Target Set-by-Licensed Degrader Target Set and country-by-country basis, any Licensed Product: (a) that is not the first Licensed Product Directed To such Licensed Degrader Target Set to achieve First Commercial Sale in such country; and (b) with respect to which, upon such First Commercial Sale of such Licensed Product in such country, there are no Valid Claims within the Royalty Patents that Cover such Licensed Product in such country.

1.287 "**Upstream License Agreement**" is defined in Section 12.3 (Upstream License Agreements).

1.288 "**Valid Claim**" means any claim of an issued unexpired patent that (a) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction; (b) has not been permanently revoked, or held invalid by a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal; (c) has not been rendered unenforceable through terminal disclaimer or otherwise; and (d) is not lost through an interference proceeding that is unappealable or unappealed within the time allowed for appeal.

1.289 "**Wire Instructions**" means the wire transfer instructions for a bank account designated by Nurix for payments hereunder and may be updated from time to time by Nurix, by written notice to Seagen in accordance with Nurix's internal procedures for providing such information.

## ARTICLE 2
## DEGRADER TARGET SETS

1.1 **Overview**.

1.1.1 Overview of Collaboration. As further described herein, the Parties anticipate that the Parties will perform the activities described in the Joint Research Plan applicable to each Collaboration Degrader Target Set to discover Collaboration Degraders that are Pan-Directed To such Collaboration Degrader Target Set, and that Seagen will create and evaluate Collaboration Degrader-Antibody Conjugates using such Collaboration Degraders, in each case, as described in Article 4 (Research). During the applicable Degrader License Option Period for a Collaboration Degrader Target Set, Seagen shall have the right to exercise its Degrader License Option and, upon such exercise in accordance with Section 5.2 (Degrader License Option Exercise), Seagen will be granted the Degrader License described in Section 14.2 (Licensed Degrader License) with respect to the applicable Licensed Degrader Target Set (and Subsets thereof) and the applicable Licensed Degraders and Licensed Degrader-Antibody Conjugates.

1.1.2 Overview of Target Sets. The Parties have mutually agreed, as of the Effective Date, to designate the [*] Initial Degrader Target Sets as described in Section 2.2.1 (Initial Degrader Target Sets) as Collaboration Degrader Target Sets. Seagen may select [*] to be the [*] as described in Section 2.2.2 ([*]) as the [*]. For illustration purposes only and subject to the provisions referred to below, which shall control over any contrary reading of this illustration: (a) Seagen may replace each Collaboration Degrader Target Set with an Available Degrader Target Set as described in Section 2.2.3 (Collaboration Degrader Target Set Replacement Right); (b) Seagen may reserve Available Degrader Target Sets as described in Section 2.3 (Reserved Degrader Target Sets); (c) determinations as to whether a Degrader Target Set is an Available Degrader Target Set shall be made in accordance with Article 3 (Gatekeeping); (d) each Collaboration Degrader Target Set may be amended in accordance with Section 2.4 (Addition of Degrader Targets), or in accordance with Section 2.5 (Removal of Collaboration Degrader Targets); and (e) Collaboration Degrader Target Sets and Licensed Degrader Target Sets may become Former Collaboration Degrader Target Sets and Former Licensed Degrader Target Sets, respectively, with the consequences described in Section 2.8 (Former Collaboration Degrader Target Sets) and Section 2.9 (Former Licensed Degrader Target Sets), as applicable, upon which Nurix shall have the rights described in Section 14.3 (Reversion Licenses) with respect to such Former Licensed Degrader Target Sets.

1.2 **Collaboration Degrader Target Sets**.

1.1.1 Initial Degrader Target Sets. As of the Effective Date, the [*] Degrader Target Sets listed in Schedule 2.2.1 are each Collaboration Degrader Target Sets (each, an "**Initial Degrader Target Set**").

1.1.2 [*]. For a period of [*] after the Effective Date and subject to Section 3.1 (Proposed Degrader Target Sets), Seagen shall have the right to select [*] (including any Reserved Degrader Target Set) as a Collaboration Degrader Target Set ([*]) by delivery of a Proposed Degrader Target Set Notice to Nurix in accordance with Section 3.1 (Proposed Degrader Target Sets) ("[*] **Notice**"). Notwithstanding anything to the contrary in this Agreement, there will in no event be more than [*] Collaboration Degrader Target Sets in total under this Agreement at any time.

1.1.3 Collaboration Degrader Target Set Replacement Right. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, during the applicable Collaboration Degrader Target Set Replacement Term, Seagen shall have the right to

substitute an Available Degrader Target Set (including any Reserved Degrader Target Set) for such Collaboration Degrader Target Set upon delivery of written notice to Nurix's Alliance Manager subject to Section 3.1 (Proposed Degrader Target Sets) (collectively, the "**Collaboration Degrader Target Set Replacement Right**") (each such Available Degrader Target Set, thereafter a "**Replacement Degrader Target Set**"); *provided*, that Seagen shall only have the right to exercise its Collaboration Degrader Target Set Replacement Right a maximum of [*] for each Collaboration Degrader Target Set (for a maximum of [*] times), after which Seagen shall no longer have the right to exercise its Collaboration Degrader Target Set Replacement Right. Upon Seagen's exercise of the Collaboration Degrader Target Set Replacement Right with respect to a Collaboration Degrader Target Set (subject to Section 3.1 (Proposed Degrader Target Sets)), such replaced Collaboration Degrader Target Set shall, effective from and after such time, cease to be a Collaboration Degrader Target Set and shall automatically become a Former Collaboration Degrader Target Set.

1.3 **Reserved Degrader Target Sets**.

1.1.1 General. Subject to this Section 2.3 (Reserved Degrader Target Sets) and Section 3.1 (Proposed Degrader Target Sets), Seagen shall have the right to designate [*] Available Degrader Target Sets to be subject to the exclusivity obligations set forth in Section 14.9.2 (Reserved Degrader Target Set Exclusivity) for [*] periods of [*] each subject to Section 2.3.4 (End of Reservation) (each such Available Degrader Target Set, a "**Reserved Degrader Target Set**"; each such period, a "**Reservation Period**"); *provided*, that [*]. Notwithstanding anything to the contrary in this Agreement, there will in no event be more than [*] Reserved Degrader Target Sets in total under this Agreement at any time.

1.1.2 Activities for Reserved Degrader Target Sets. Upon the establishment or selection of a Reserved Degrader Target Set in accordance with Section 2.3.1 (General), Nurix shall perform certain Research activities with respect to such Reserved Degrader Target Sets exclusively under this Agreement to enable such Reserved Degrader Target Sets to be selected by Seagen as a Collaboration Degrader Target Set.

1.1.3 Designation and Payment for Reserved Degrader Target Sets. Seagen may designate one (1) or more Available Degrader Target Set(s) to be Reserved Degrader Target Set(s) by delivery of one (1) or more Proposed Degrader Target Set Notice(s) to Nurix in accordance with Section 3.1 (Proposed Degrader Target Sets). Upon such designation, Seagen shall pay Nurix the Degrader Target Set [*] Reservation Fee described in Section 13.3 (Degrader Target Set [*] Reservation Fee) to reserve Degrader Target Sets as Reserved Degrader Target Sets for each Reservation Period commencing upon designation of such Reserved Degrader Target Set. Each Reserved Degrader Target Set may be reserved in accordance with this Section 2.3 (Reserved Degrader Target Sets) for multiple Reservation Periods, each upon payment of the Degrader Target Set [*] Reservation Fee and in accordance with the following sentence, but subject to Section 2.3.4 (End of Reservation). Prior to the expiration of any Reservation Period, Seagen shall have the right, upon written notice to Nurix, to extend the reservation of such Reserved Degrader Target Set for an additional Reservation Period (a "**Degrader Target Set Reservation Extension Notice**"); *provided*, that Seagen pays the Degrader Target Set [*] Reservation Fee for each such Reserved Degrader Target Set for each such additional Reservation Period in accordance with Section 13.3 (Degrader Target Set [*] Reservation Fee) prior to the expiration of the then-current Reservation Period.

1.1.4 End of Reservation. Without limiting the foregoing, each Reserved Degrader Target Set shall immediately cease to be a Reserved Degrader Target Set upon the earliest of the following: (a) upon the [*] of the Effective Date, (b) upon the expiration of the Collaboration Degrader Target Set Replacement Term for all applicable Collaboration Degrader Target Sets, (c) upon Seagen exercising the Collaboration Degrader Target Set Replacement

Right for all applicable Collaboration Degrader Target Sets, (d) if Seagen names such Reserved Degrader Target Set as the [*] in accordance with Section 2.2.2 ([*]); or (e) upon Seagen naming such Reserved Degrader Target Set as the Replacement Degrader Target Set with respect to a Collaboration Degrader Target Set in accordance with Section 2.2.3 (Collaboration Degrader Target Set Replacement Right).

1.4 **Addition of Degrader Targets**. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis during the applicable Joint Research Term, the Parties may, subject to Section 10.6.1 (JRC Decisions) and Section 10.6.3 (Escalation of Certain JRC Disputes), amend the applicable Joint Research Plan (as further described in Section 4.1 (Joint Research Plans)) to add to such Collaboration Degrader Target Set [*] Available Degrader Target(s) that are Homologous Targets of the Degrader Targets in such Collaboration Degrader Target Set. For clarity, no Collaboration Degrader Target Set may contain more than [*] Degrader Targets unless the Parties otherwise mutually agreeing writing.

1.5 **Removal of Collaboration Degrader Targets**.

1.1.1 Amendment of Joint Research Plan. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis during the applicable Joint Research Term and before the occurrence of any Degrader License Exercise Date with respect to such Collaboration Degrader Target Set, the Parties may, subject to Section 10.6.1 (JRC Decisions) and Section 10.6.3 (Escalation of Certain JRC Disputes), amend the applicable Joint Research Plan (as further described in Section 4.1 (Joint Research Plans)) so that Nurix is no longer required under such Joint Research Plan to identify, synthesize, and characterize Collaboration Degraders that are Directed To one (1) or more Degrader Target(s) in the applicable Collaboration Degrader Target Set (such Degrader Targets, "**Removed Degrader Targets**") and the consequences described in Section 2.5.2 (Removed Degrader Target) shall apply. Notwithstanding the foregoing, if any such amendment removes all Degrader Targets in a Collaboration Degrader Target Set, Seagen shall be deemed to have exercised a Collaboration Degrader Target Set Replacement Right with respect to such Collaboration Degrader Target Set subject to the terms of Section 2.2.3 (Collaboration Degrader Target Set Replacement Right); *provided*, that if no Collaboration Degrader Target Set Replacement Right is available as of such proposed amendment, then such proposed amendment shall have no force or effect and the Collaboration Degrader Target Set shall remain a Collaboration Degrader Target Set or Seagen may determine, in its sole discretion, to terminate this Agreement with respect to such Collaboration Degrader Target Set in accordance with Section 19.2.2(a) (Termination at Will).

1.1.2 Removed Degrader Target. Upon the occurrence of an amendment described in Section 2.5.1 (Amendment of Joint Research Plan) with respect to a Collaboration Degrader Target Set: (a) each applicable Removed Degrader Target shall no longer be part of such Collaboration Degrader Target Set and shall not be a Collaboration Degrader Target, and (b) to the extent such original Collaboration Degrader Target Set contained one (1) or more Collaboration Degrader Targets in addition to the Removed Degrader Target(s), the Subset of such original Collaboration Degrader Target Set consisting of all such additional Collaboration Degrader Targets (and not the Removed Degrader Target(s)) shall, following such amendment, be considered the Collaboration Degrader Target Set.

1.6 **Licensed Degrader Target Sets**. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, upon Seagen's exercise of the applicable Degrader License Option and the occurrence of the Degrader License Effective Date in accordance with Article 5 (Degrader License Option) with respect to such Collaboration Degrader Target Set, such Collaboration Degrader Target Set shall become a Licensed Degrader Target Set, and all Collaboration Degraders that are Directed To such Collaboration Degrader Target Set shall become Licensed Degraders that are Directed To such Licensed Degrader Target Set.

1.7 [*] **Licensed Degrader Target Set**. On a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, upon [*] of a Licensed Product containing a Licensed Degrader (including any Licensed Degrader-Antibody Conjugate) that is Pan-Directed To (a) such Licensed Degrader Target Set or (b) a Subset thereof, such Licensed Degrader Target Set or such Subset, as applicable, shall become an "[*] **Licensed Degrader Target Set**." For clarity, following such [*] (i) the Licensed Degrader Target Set will continue to be a Licensed Degrader Target Set, and (ii) the [*] Licensed Degrader Target Set may be the same Degrader Target Set as the Licensed Degrader Target Set, or alternatively, one of its Subsets.

1.8 **Former Collaboration Degrader Target Sets**. If, prior to the occurrence of the Degrader License Effective Date with respect to Seagen's exercise of the Degrader License Option for a Collaboration Degrader Target Set, such Collaboration Degrader Target Set (or any Subset thereof) becomes a Former Collaboration Degrader Target Set, then (i) the license grant by Nurix to Seagen as further described in Section 14.1 (Research Licenses) with respect to such Former Collaboration Degrader Target Set shall immediately terminate, (ii) Nurix's exclusivity obligations described in Section 14.9.1 (Collaboration Degrader Target Set Exclusivity) shall no longer apply to such Former Collaboration Degrader Target Set, (iii) the license grant by Seagen to Nurix as further described in Section 14.1 (Research Licenses) with respect to such Former Collaboration Degrader Target Set shall immediately terminate, (iv) Nurix will have no further obligations under the applicable Joint Research Plan or Research activities with respect to such Former Collaboration Degrader Target Set; (v) Seagen will have no further obligations under this Agreement to Research, Develop, Commercialize, Manufacture or otherwise Exploit such Former Collaboration Degrader Target Set or any Collaboration Degrader or Collaboration Degrader-Antibody Conjugate Directed To such Former Collaboration Degrader Target Set, and (vi) the applicable provisions of Section 14.3 (Reversion Licenses) and Section 19.3 (Effects of Expiration and Termination) shall apply to such Former Collaboration Degrader Target Set. "**Former Collaboration Degrader Target Set**" means any Degrader Target Set that:

(a) was a Collaboration Degrader Target Set with respect to which a Replacement Degrader Target Set has been named in accordance with Section 2.2.3 (Collaboration Degrader Target Set Replacement Right);

(b) was a Collaboration Degrader Target Set with respect to which the Degrader License Option Period expired without Seagen exercising the applicable Degrader License Option in accordance with Section 5.2 (Degrader License Option Exercise); or

(c) was a Collaboration Degrader Target Set with respect to which Seagen had not exercised the applicable Degrader License Option as of the effective date of the termination of this Agreement (in its entirety or with respect to such Collaboration Degrader Target Set): (i) by Seagen, in accordance with Section 19.2.2 (Termination at Will) or Section 19.2.3 (Termination for Outside Date); or (ii) by Nurix, in accordance with Section 19.2.1 (Termination for Material Breach), Section 19.2.3 (Termination for Outside Date), or Section 19.2.4 (Termination for Bankruptcy);

*provided*, that no Degrader Target Set that includes any one (1) or more Collaboration Degrader Target(s), Licensed Degrader Target(s) or Degrader Targets in a Reserved Degrader Target Set is a Former Collaboration Degrader Target Set hereunder.

1.9 **Former Licensed Degrader Target Sets**. If, after the occurrence of the Degrader License Effective Date that results from Seagen's exercise (including any Deemed Exercise) of the Degrader License Option for a Collaboration Degrader Target Set as further described in Section 5.2 (Degrader License Option Exercise), such Licensed Degrader Target Set becomes a Former Licensed Degrader Target Set, then (i) the license grant by Nurix to Seagen as

further described in Section 14.2 (Licensed Degrader License) with respect to such Former Licensed Degrader Target Set and each Subset thereof shall immediately terminate, (ii) Nurix's exclusivity obligations described in Section 14.9.3 (Licensed Degrader Target Set Exclusivity) and Section 14.9.4 ([*] Licensed Degrader Target Set Exclusivity) shall no longer apply to such Former Licensed Degrader Target Set; (iii) Seagen will have no further obligations under this Agreement, including Section 6.1.2 (Development Diligence) and Section 9.2 (Commercialization Diligence), to Research, Develop, Commercialize, Manufacture or otherwise Exploit such Former Licensed Degrader Target Set or Licensed Products Directed To such Former Licensed Degrader Target Set, and (iv) the applicable provisions of Section 14.3 (Reversion Licenses) and Section 19.3 (Effects of Expiration and Termination) shall apply to such Former Licensed Degrader Target Set. "**Former Licensed Degrader Target Set**" means any Licensed Degrader Target Set with respect to which the corresponding Degrader License to Seagen has been terminated (including any termination of this Agreement in its entirety or with respect to such Licensed Degrader Target Set): (i) by Seagen, in accordance with Section 19.2.2 (Termination at Will); or (ii) by Nurix, in accordance with Section 19.2.1 (Termination for Material Breach) or Section 19.2.4 (Termination for Bankruptcy); *provided*, that no Degrader Target Set that includes any one (1) or more Collaboration Degrader Target(s), Licensed Degrader Target(s) or Degrader Targets in a Reserved Degrader Target Set is a Former Licensed Degrader Target Set hereunder.

## ARTICLE 3
## GATEKEEPING

1.1 **Proposed Degrader Target Sets**.

1.1.1 Proposed Degrader Target Set Notice. In the event that Seagen wishes to nominate a Degrader Target Set (a "**Proposed Degrader Target Set**") to be (a) a Reserved Degrader Target Set under Section 2.3 (Reserved Degrader Target Sets), (b) the [*] in accordance with Section 2.2.2 ([*]), or (c) the Replacement Degrader Target Set substituting a Collaboration Degrader Target Set under Section 2.2.3 (Collaboration Degrader Target Set Replacement Right), then, in each case (clauses (a)-(c)), Seagen shall provide email notice to Nurix's Alliance Manager of the identity of such Proposed Degrader Target Set and which of the Seagen rights described in clauses (a)-(c) above Seagen is exercising (each such notice, a "**Proposed Degrader Target Set Notice**"); *provided*, that unless such Proposed Degrader Target Set is a Reserved Degrader Target Set as of the date of the Proposed Degrader Target Set Notice, Seagen shall first undertake the Gatekeeper process described in Section 3.2 (Gatekeeping) for each Degrader Target in such Proposed Degrader Target Set prior to providing such Proposed Degrader Target Set Notice. For clarity, each Proposed Degrader Target Set shall contain no more than [*] Degrader Targets unless the Parties otherwise mutually agree in writing as further described in Section 1.71 ("Degrader Target Set").

1.1.2 Exercise of Seagen Rights.

(a) *Reserved Degrader Target Sets*. If, at the time of delivery of such Proposed Degrader Target Set Notice to Nurix's Alliance Manager, the Proposed Degrader Target Set is a Reserved Degrader Target Set, then Seagen will be deemed to have exercised its applicable right described in clauses (a)-(c) of Section 3.1.1 (Proposed Degrader Target Set Notice), as set forth in the applicable Proposed Degrader Target Set Notice, with respect to such Proposed Degrader Target Set upon delivery of such Proposed Degrader Target Set Notice.

(b) *Other Proposed Degrader Target Sets*. For any Proposed Degrader Target Set for which Seagen wishes to exercise the applicable rights described in Section 3.1.1 (Proposed Degrader Target Set Notice) that is not a Reserved Degrader Target Set, Seagen may, after Seagen receives the applicable Gatekeeper Availability

Notice pursuant to Section 3.2.2 (Gatekeeper Responsibilities) stating that all Degrader Target(s) contained in such Degrader Target Set are Available Degrader Targets, provide to Nurix's Alliance Manager a Proposed Degrader Target Set Notice identifying the relevant Proposed Degrader Target Set comprising solely such Available Degrader Target(s) (as indicated by the Gatekeeper Availability Notice). If, at the time of delivery of such Proposed Degrader Target Set Notice to Nurix's Alliance Manager, the Proposed Degrader Target Set is an Available Degrader Target Set, then Seagen will be deemed to have exercised its applicable right described in clauses (a)-(c) of Section 3.1.1 (Proposed Degrader Target Set Notice), as set forth in the applicable Proposed Degrader Target Set Notice, with respect to such Proposed Degrader Target Set upon delivery of such Proposed Degrader Target Set Notice.

1.1.3 Unavailable Targets. If, at the time of delivery of such Proposed Degrader Target Set Notice to Nurix's Alliance Manager, any Degrader Target in such Proposed Degrader Target Set is not an Available Degrader Target, then Seagen shall not have the right to exercise its applicable right described in clauses (a)-(c) of Section 3.1.1 (Proposed Degrader Target Set Notice) with respect to such Proposed Degrader Target Set.

1.2 **Gatekeeping**.

1.1.1 Appointment of Gatekeeper. During the Joint Research Term applicable to any Collaboration Degrader Target Set and until expiration of the Collaboration Degrader Target Set Replacement Term of all applicable Collaboration Degrader Target Sets, there shall be a gatekeeper that has been mutually agreed to and appointed by the Parties to perform the responsibilities set forth in Section 3.2.2 (Gatekeeper Responsibilities) ("**Gatekeeper**"). The Gatekeeper may be changed from time to time during the Joint Research Term upon either Party's request and mutual written agreement of the Parties; *provided*, that the initial Gatekeeper as of the Effective Date shall be [*].

1.1.2 Gatekeeper Responsibilities. At any time during the Joint Research Term applicable to any Collaboration Degrader Target Set and until expiration of the Collaboration Degrader Target Set Replacement Term of all applicable Collaboration Degrader Target Sets, and subject to this Section 3.2.2 (Gatekeeper Responsibilities), Seagen shall have the right to notify the Gatekeeper in writing of Degrader Targets that Seagen desires to have reviewed against a list of Excluded Degrader Targets then in effect that shall be maintained by Nurix and made available to the Gatekeeper to determine if such desired Degrader Targets are Available Degrader Targets (such desired Degrader Targets, "**Seagen Desired Degrader Targets**," and such notice, a "**Degrader Target Screening Notice**") which Degrader Target Screening Notice shall be in form and substance reasonably acceptable to both Parties, including with respect to customary and reasonable confidentiality and non-use obligations. Promptly (but no later than [*] Business Days) after receiving a Degrader Target Screening Notice, the Gatekeeper shall review and compare the Seagen Desired Degrader Targets listed in the Degrader Target Screening Notice against the list of Excluded Degrader Targets then in effect, and shall notify Seagen in writing, no later than [*] Business Days after delivery of the applicable Degrader Target Screening Notice, which, if any, of the Seagen Desired Degrader Targets are Available Degrader Targets (the "**Gatekeeper Availability Notice**"). The Gatekeeper shall not disclose to any Person (including any employee, agent or representative of Nurix or its Affiliates) other than Seagen the identity of, or any other information with respect to, the Seagen Desired Degrader Targets, including that Seagen has submitted a Degrader Target Screening Notice with respect to any Seagen Desired Degrader Target(s). The Parties acknowledge that the Gatekeeper may be an employee of Nurix and the disclosure by Seagen to such Gatekeeper of the Seagen Desired Degrader Targets shall not be considered a disclosure to Nurix or any Nurix Affiliate under this Section 3.2.2 (Gatekeeper Responsibilities), and further, such Gatekeeper shall at all times be bound by the confidentiality, non-disclosure and non-use obligations hereunder (including this

Section 3.2.2 (Gatekeeper Responsibilities)) and in any Degrader Target Screening Notice. For clarity, the Seagen Desired Degrader Targets do not become Collaboration Degrader Targets until the requirements of Section 3.1 (Proposed Degrader Target Sets) are met. Seagen shall have the right to deliver to the Gatekeeper up to a maximum of [*] Degrader Target Screening Notices per Calendar Quarter, with a maximum of [*] Seagen Desired Degrader Targets described in all Degrader Target Screening Notices for each such Calendar Quarter.

## ARTICLE 4
## RESEARCH

1.1 **Joint Research Plans**. The initial Joint Research Plan for each of the Initial Degrader Target Sets are attached hereto as [*], respectively (each an "**Initial Joint Research Plan**"). Within [*] following receipt by Nurix's Alliance Manager of a [*] Notice in accordance with Section 2.2.2 ([*]) or Seagen's exercise of its Collaboration Degrader Target Set Replacement Right in accordance with Section 2.2.3 (Collaboration Degrader Target Set Replacement Right), as applicable, Seagen shall prepare, and shall submit to the JRC for review, an initial draft Joint Research Plan for the applicable [*] or Replacement Degrader Target Set, which initial draft shall be substantially consistent with the Joint Research Plans for the Initial Degrader Target Sets. Without limiting the foregoing or Section 1.147 ("Joint Research Plan"), each Joint Research Plan shall (a) set forth in reasonable detail the Research activities to be undertaken by each Party with respect to the applicable Collaboration Degrader Target Set; (b) provide for Seagen's ability to perform internal research with respect to the applicable Collaboration Degrader Target Set and applicable Collaboration Degraders; and (c) provide that Nurix shall use Commercially Reasonable Efforts to identify and deliver [*] Collaboration Degraders that (i) selectively bind and degrade all of the Degrader Target(s) in the applicable Collaboration Degrader Target Set, and (ii) meet the applicable Collaboration Degrader Criteria. The JRC will have [*] days to review and approve such draft of the Joint Research Plan, upon completion of which the Joint Research Plan will become effective; *provided*, that Nurix shall not unreasonably withhold, condition or delay its consent to such draft. For the avoidance of doubt, Nurix (A) exercising its rights under Section 10.6.2(b) or (B) withholding its consent with respect to a proposed Joint Research Plan amendment proposed by Seagen requiring Nurix to create, modify or optimize any Degrader to be orally available, in each case (clause (A) and (B)), shall not be deemed unreasonable hereunder. From time to time (at least on an annual basis), the JRC will discuss, prepare and approve amendments, as appropriate, to each then-current Joint Research Plan, including with respect to the removal of any Removed Degrader Targets (as further described in Section 2.5.1 (Amendment of Joint Research Plan)) and with respect to the addition of Available Degrader Targets to a Collaboration Degrader Target Set (as further described in Section 2.4 (Addition of Degrader Targets)). Subject to Section 10.6 (Committee Decisions), each amended Joint Research Plan will become effective and supersede the previous Joint Research Plan as of the date of approval by the JRC.

1.2 **Joint Research Activities**. Subject to the terms and conditions herein, during each applicable Joint Research Term, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, (a) the Parties will each use Commercially Reasonable Efforts to conduct the Research activities allocated to such Party in the applicable Joint Research Plan, and (b) without limiting the foregoing, Nurix will use Commercially Reasonable Efforts to (i) identify, synthesize, and characterize and deliver to Seagen Degraders that selectively bind and degrade one (1) or more of the Degrader Target(s) in the applicable Collaboration Degrader Target Set (including by conducting one (1) or more DEL Screens with respect to such Collaboration Degrader Target Set; *provided*, that if Nurix conducts any such DEL Screen(s) without Seagen's prior written request, Nurix shall provide written notice to Seagen through the JRC that such DEL Screen(s) have been conducted, which notice shall summarize the results of such DEL Screen(s) in reasonable detail), (ii) optimize one (1) or more of the Degraders identified or synthesized through clause (i) above to cause pharmacologically relevant activity as a result of degrading one (1) or more of the Degrader Target(s) in such Collaboration Degrader Target Set, for the purpose of

creating Collaboration Degraders that are Directed To such Collaboration Degrader Target Set; and (iii) work with Seagen to evaluate such Collaboration Degraders that are Directed To such Collaboration Degrader Target Set, including until they satisfy the applicable Collaboration Degrader Criteria, in each case (clauses (i)-(iii)), in accordance with the applicable Joint Research Plan ("**Nurix Research**"), and (c) once a Collaboration Degrader that is Directed To the applicable Collaboration Degrader Target Set satisfies the applicable Collaboration Degrader Criteria, Seagen will use Commercially Reasonable Efforts to (1) conjugate such Collaboration Degrader to one (1) or more Antibodies selected by Seagen, and (2) test whether the resulting Collaboration Degrader-Antibody Conjugates satisfy the applicable [*] Potency Benchmark, in each case, in accordance with the applicable Joint Research Plan ("**Seagen Research**"). For clarity, evaluation and optimization of a Collaboration Degrader may, in accordance with the applicable Joint Research Plan, continue after such Collaboration Degrader has satisfied the applicable Collaboration Degrader Criteria. Each Research Program will be subject to the oversight of the JRC. The foregoing activities, along with any other activities conducted under a Joint Research Plan, will be the "**Joint Research**." Notwithstanding anything to the contrary in this Agreement, upon expiration of the Joint Research Term applicable to a Collaboration Degrader Target Set, Nurix shall have no further obligation to conduct any Research activities with respect to such Collaboration Degrader Target Set or its Collaboration Degraders.

1.3 **Joint Research Term Extension**. Prior to the expiration of the applicable Joint Research Term, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, upon written notice by Seagen to Nurix, Seagen may extend such Joint Research Term for [*] (a "**Joint Research Term Extension**"); *provided*, that (a) Seagen pays the Joint Research Term Extension Fee for each such Joint Research Term Extension in accordance with Section 13.2 (Joint Research Term Extension Fee), and (b) except as the Parties may otherwise mutually agree in writing, under no circumstances will the Joint Research Term with respect to any Collaboration Degrader Target Set, including [*] or any Replacement Degrader Target Set, as applicable, extend beyond the date that is [*] after the Effective Date.

1.4 **Seagen Research Activities**. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, Seagen may continue to conduct the Seagen Research activities after the expiration of the applicable Joint Research Term and during the Degrader License Option Period (including as extended in accordance with Section 5.3 (Degrader License Option Period Extension)) (each a "**Seagen Research Term**") and, following the Degrader License Effective Date that occurs with respect to Seagen's exercise of the Degrader License Option in accordance with Section 5.2 (Degrader License Option Exercise), during the remaining Term of this Agreement. Seagen shall provide Nurix with updates regarding Seagen Research activities conducted by Seagen during the Seagen Research Term via the JSC and JRC as described in Section 10.1 (Joint Steering Committee) and Section 10.2 (Joint Research Committee). For clarity, notwithstanding that Nurix shall not have any obligation to perform any Research activities with respect to any Collaboration Degrader Target Set after the expiration of the Joint Research Term of such Collaboration Degrader Target Set, Nurix, at its sole discretion, may conduct certain Research activities to support Seagen Research activities during the Seagen Research Term.

1.5 **Additional Conjugation Candidates**. On a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, Seagen may, after the applicable Degrader License Effective Date, request to obtain the right from Nurix to (a) conjugate the applicable Licensed Degrader to one (1) or more additional non-Antibody compound(s) that selectively binds any cell-surface protein and causes pharmacologically relevant activity as a result of such binding (such compound, an "**Additional Conjugation Candidate**"), and to (b) further Research, Develop, Manufacture, Commercialize or otherwise Exploit any such resulting Licensed Degrader-Additional Conjugation Candidate molecule in the Field in the Territory. Seagen shall provide a written notice to Nurix describing in reasonable detail any such Additional Conjugation Candidate and the cell-surface

protein(s) to which such Additional Conjugation Candidate(s) are directed to. If, as of the delivery of such written notice to Nurix, such cell-surface protein(s) are neither [*], nor [*], then the Parties shall promptly execute an amendment to this Agreement in form and substance negotiated in good faith and reasonably acceptable to both Parties which allows Seagen to obtain the rights described in clauses (a) and (b) above.

1.6 **Seagen-Provided Property**. Seagen will provide Nurix with (a) the Seagen Materials set forth in the applicable Joint Research Plan, and (b) any additional Seagen Materials to the extent necessary or reasonably useful for Nurix to conduct the Research activities assigned to Nurix under such Joint Research Plan, in each case ((a) and (b)), at Seagen's sole expense. Prior to Seagen initially transferring any Seagen Materials to Nurix, the Parties shall enter into a material transfer agreement in substantially the form attached hereto as Schedule 4.6 (a "**Material Transfer Agreement**"), which Material Transfer Agreement will include an exhibit setting forth a description in reasonable detail of such Seagen Materials to be provided and the purposes for which such Seagen Materials will be used. Nurix shall not use any Seagen Materials for any purposes except as otherwise permitted under the terms and conditions of this Agreement or the applicable Material Transfer Agreement. For clarity, upon any Collaboration Degrader Target Set or Licensed Degrader Target Set becoming a Former Collaboration Degrader Target Set or a Former Licensed Degrader Target Set, as applicable, Nurix shall, at Seagen's reasonable request, either promptly destroy or return any remaining Seagen Materials provided by Seagen with respect to such Collaboration Degrader Target Set or Licensed Degrader Target Set (provided such Seagen Materials are not necessary or reasonably useful for Nurix's activities under this Agreement with respect to any Degrader Target Set that remains a Collaboration Degrader Target Set or a Licensed Degrader Target Set).

1.7 **Nurix-Provided Property**. Nurix will provide Seagen, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis during the applicable Joint Research Term and Seagen Research Term, (a) any Nurix Materials solely to the extent set forth in the applicable Joint Research Plan, at no additional cost to Seagen, and (b) other than pursuant to the preceding clause (a), any additional Nurix Materials, upon Seagen's reasonable written request and at Seagen's expense. Prior to Nurix initially transferring any such Nurix Materials to Seagen, the Parties shall enter into a Material Transfer Agreement in substantially the form attached hereto as Schedule 4.6, which Material Transfer Agreement will include an exhibit setting forth a description in reasonable detail of such Nurix Materials to be provided and the purposes for which such Nurix Materials will be used. Seagen shall not use, and shall not permit any Affiliate of Seagen or any Sublicensee to use, any Nurix Materials for any purposes except as otherwise permitted under the terms and conditions of this Agreement or the applicable Material Transfer Agreement. For clarity, upon any Collaboration Degrader Target Set or Licensed Degrader Target Set becoming a Former Collaboration Degrader Target Set or a Former Licensed Degrader Target Set, as applicable, Seagen shall, at Nurix's reasonable request, either promptly destroy or return any remaining Nurix Materials provided by Nurix with respect to such Collaboration Degrader Target Set or Licensed Degrader Target Set (provided such Nurix Materials are not necessary or reasonably useful for Seagen's activities under this Agreement with respect to any Degrader Target Set that remains a Collaboration Degrader Target Set or a Licensed Degrader Target Set).

1.8 **Information Sharing**.

1.1.1 Initial Information Sharing. Promptly, and in any event within [*] following each of (i) the Effective Date (or, within [*] after establishing the JRC, if later), (ii) receipt by Nurix's Alliance Manager of a [*] Notice in accordance with Section 2.2.2 ([*]), or (iii) Seagen's exercise of a Collaboration Degrader Target Set Replacement Right in accordance with Section 2.2.3 (Collaboration Degrader Target Set Replacement Right), as applicable, each Party will provide or make available to the JRC all relevant data and information Controlled by such Party with respect to the applicable Collaboration Degrader Target Set (including with

respect to any Collaboration Degraders then Controlled by Nurix that are Directed To [*] or more Collaboration Degrader Targets included in the applicable Collaboration Degrader Target Set).

1.1.2 Ongoing Information Sharing. During the Joint Research Term and Seagen Research Term, at each meeting of the JRC or as otherwise agreed by the Parties, the JRC shall review written reports or presentations regarding each Party's activities and Research Results (as applicable) with respect to the Joint Research and Seagen Research of respective Collaboration Degraders and Collaboration Degrader-Antibody Conjugates. Each report or presentation under this Section 4.8 (Information Sharing) will cover such activities and Research Results since the previous JRC meeting, including a summary of results, information, chemical structures, data with respect to such Collaboration Degraders and Collaboration Degrader-Antibody Conjugates, and, during the Seagen Research Term, if applicable, in accordance with Section 4.4 (Seagen Research Activities) and at Nurix's sole discretion, any request by Seagen for Nurix Research support. Upon request by the JRC or by the other Party, a Party will provide the JRC with such other information and such additional access to records with respect to Collaboration Degraders and Collaboration Degrader-Antibody Conjugates as the JRC or such other Party may reasonably request for the conduct or evaluation of the respective Joint Research activities or Seagen Research activities, including the underlying information used to create the Research Results and other summaries provided by such Party, such as data listings, data sets and programs used for the analyses collected by a Party in the course of conducting its activities with respect to the respective Collaboration Degraders and Collaboration Degrader-Antibody Conjugates. Within [*] after the expiration of the Joint Research Term with respect to a Collaboration Degrader Target Set, Nurix shall provide Seagen with a report summarizing all available Research Results generated by or on behalf of Nurix with respect to Collaboration Degraders that are Directed To such Collaboration Degrader Target Set.

1.9 **Records Retention**. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, each Party will retain, and cause its Affiliates and its and their permitted subcontractors to retain, all records, accounts, notes, reports, data and laboratory notebooks with respect to the Joint Research activities performed with respect to such Collaboration Degrader Target Set until the [*] anniversary of the expiration of the Joint Research Term for such Collaboration Degrader Target Set or such longer period as may be required by Applicable Law.

1.10 **Research Costs**. As between the Parties, [*]. For clarity, as between the Parties, Seagen shall [*].

## ARTICLE 5
## DEGRADER LICENSE OPTION

1.1 **Degrader License Option**. Subject to the terms and conditions of this Agreement, including the provisions of this Article 5 (Degrader License Option), Nurix hereby grants to Seagen an exclusive option, exercisable by Seagen on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, in Seagen's sole discretion at any time during the applicable Degrader License Option Period, to obtain the exclusive license described in Section 14.2 (Licensed Degrader License) (each, a "**Degrader License Option**").

1.2 **Degrader License Option Exercise**. Seagen may exercise each Degrader License Option (each, a "**Degrader License Option Exercise**") at any point during the applicable Degrader License Option Period by providing written notice thereof (each, a "**Degrader License Option Exercise Notice**") to Nurix, which notice will (a) identify the Collaboration Degrader Target Set that is the subject of such Degrader License Option Exercise, as further described in Section 2.6 (Licensed Degrader Target Sets), and (b) include Seagen's determination as to whether any filings, notices, applications or other submissions under Antitrust Law are necessary or

advisable in connection with such Degrader License Option Exercise (each such filing, notice, application or other submission, an "**Antitrust Filing**") as further described in this Section 5.2 (Degrader License Option Exercise). Notwithstanding the foregoing, upon achievement of [*], a Degrader License Option Exercise shall be deemed to have occurred with respect to such Collaboration Degrader Target Set ("**Deemed Exercise**"). Notwithstanding anything to the contrary in this Agreement, there will in no event be more than [*] Licensed Degrader Target Sets in total under this Agreement at any time.

1.3 **Degrader License Option Period Extension**. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, prior to the expiration of the applicable Degrader License Option Period for such Collaboration Degrader Target Set and on [*] with respect to such Degrader License Option Period, Seagen may extend such Degrader License Option Period for [*] upon delivery of written notice by Seagen to Nurix (each, a "**Degrader License Option Period Extension**") and payment of the Degrader License Option Period Extension Fee for such Degrader License Option Period Extension in accordance with Section 13.5 (Degrader License Option Period Extension Fee).

1.4 **Antitrust Filings**.

1.1.1 Filings. As soon as reasonably practicable following the date on which Seagen provides a Degrader License Option Exercise Notice to Nurix in accordance with Section 5.2 (Degrader License Option Exercise) (the "**Degrader License Exercise Date**") and in any event within [*] Business Days following the applicable Degrader License Exercise Date, if required, each of Nurix and Seagen will prepare and submit any Antitrust Filings, including any such required filings under the HSR Act and the rules promulgated thereunder, with respect to the relevant Degrader License Option Exercise. In connection with any such Antitrust Filings, the Parties will furnish promptly to the United States Federal Trade Commission (the "**FTC**"), the Antitrust Division of the United States Department of Justice (the "**DOJ**") and any other applicable Governmental Authority any additional information requested within their authority under the HSR Act or other Antitrust Law, use reasonable efforts to obtain antitrust clearance for the transactions contemplated hereunder as soon as practicable with respect to the applicable Degrader License Option Exercise and otherwise cooperate with each other in the governmental antitrust clearance process. Seagen will bear all fees in connection with any filings under this Section 5.4 (Antitrust Filings), and each Party will bear its respective attorneys' fees and other expenses in connection therewith.

1.1.2 Effectiveness. Following a Degrader License Option Exercise, Seagen's rights and obligations hereunder in connection with such Degrader License Option Exercise (including the licenses to be granted in connection therewith) will not become effective unless and until: (a) the day on which the applicable waiting period provided by the HSR Act, if any, will have expired or been terminated and all other required antitrust clearances under Antitrust Law have been obtained (solely to the extent applicable in any antitrust filings), as determined by Seagen in accordance with Applicable Law; or (b) the day on which Seagen determines in accordance with Applicable Law that no Antitrust Filings are required under Antitrust Law and delivers written notice to Nurix of such determination (the earlier to occur of (a) or (b), with respect to such Degrader License Option Exercise, the "**Degrader License Effective Date**").

1.1.3 Outside Date. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, if (a) Seagen identifies any Antitrust Filings as being necessary or advisable in the applicable Degrader License Option Exercise Notice in accordance with Section 5.2 (Degrader License Option Exercise) and (b) the applicable Degrader License Effective Date does not occur on or before [*] after the applicable Degrader License Exercise Date (each, an "**Outside Date**"), then:

(a) Seagen may, in its sole discretion and upon written notice to Nurix delivered on or prior to the applicable Outside Date, extend the applicable Outside Date for such Degrader License Option Exercise by [*];

(b) if on such Outside Date (as extended under Section 5.4.3(a)) [*], either Party may terminate this Agreement with respect to such Collaboration Degrader Target Set by delivery of written notice to the other Party; and

(c) if on such Outside Date (as extended under Section 5.4.3(a)), or at any time following the applicable Degrader License Option Exercise Notice as determined by Seagen, any applicable clearances under Antitrust Laws have not been obtained in any country other than [*], upon Seagen's written request to Nurix delivered on or prior to the applicable Outside Date (as may be extended under Section 5.4.3(a)), the Parties shall promptly amend this Agreement to exclude such country or countries from the definition of "Territory" with respect to the applicable Licensed Degrader Target Set and the Degrader License Effective Date shall occur, subject to such amended "Territory" definition, on the effective date of such amendment, *provided*, that if any such clearances under Antitrust Laws in any such country other than [*], are subsequently obtained during the Term, upon Seagen's written request to Nurix the Parties shall promptly amend this Agreement to restore such country in the definition of "Territory" with respect to the applicable Licensed Degrader Target Set.

## ARTICLE 6
## DEVELOPMENT

1.1 **Development**.

1.1.1 Development Responsibility. Subject to the terms and conditions of this Agreement, Seagen will have the sole and exclusive right to Develop (and will solely and exclusively control, at its discretion, the Development of), itself or with or through its Affiliates, Sublicensees or other Third Parties, the respective Licensed Degrader and Licensed Degrader-Antibody Conjugate, including all Licensed Products, in the Field in the Territory. Subject to an applicable Profit-Share Product Agreement (if executed), all such Development will be at Seagen's sole cost and expense.

1.1.2 Development Diligence. Subject to the terms and conditions of this Agreement, on a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis commencing upon the applicable Degrader License Effective Date, Seagen will, itself or with or through its Affiliates or Sublicensees or other Third Parties, use Commercially Reasonable Efforts to obtain Regulatory Approval of at least one (1) Licensed Product that is Directed To such Licensed Degrader Target Set for [*] Indications in each [*]. For clarity, such requirement may be satisfied by [*].

1.1.3 Nurix Support. Nurix will, upon Seagen's reasonable written request and at Seagen's expense, reasonably assist Seagen with respect to the Development of (including obtaining and maintaining Regulatory Approval for) the Licensed Products. Seagen will reimburse Nurix for the costs of its support at the rate of [*].

1.1.4 Development Updates. With respect to any Licensed Degrader Target Set, commencing upon [*] and continuing until [*], Seagen will submit to Nurix, [*], a [*] of Seagen's material Development activities with respect to Licensed Products that are Directed To such Licensed Degrader Target Set that have been conducted since Seagen's delivery of the applicable prior report, and any material Development activities that Seagen then [*]. The first such report shall be provided to Nurix within [*] days of [*] for such Licensed Product in or for

the [*]. Upon Nurix's reasonable written request, the Parties shall meet (including by teleconference) to discuss such report(s) and activities.

## ARTICLE 7
## REGULATORY

1.1 **Regulatory Matters**.

1.1.1 Responsibility. Subject to the terms and conditions of this Agreement, Seagen will have the sole right (and will solely control, at its discretion), itself or with or through its Affiliates, Sublicensees or other Third Parties, to: (a) prepare and submit to applicable Regulatory Authorities all Regulatory Materials, including MAAs and Clinical Trial applications, for the respective Licensed Products and (b) obtain and maintain all Regulatory Approvals for the respective Licensed Products.

1.1.2 Communications with Regulatory Authorities. For clarity and without limiting Section 7.1.1 (Responsibility), Seagen will have the exclusive right to correspond or communicate with Regulatory Authorities regarding the respective Licensed Products. Unless required by Applicable Law, Nurix, its Affiliates and its permitted subcontractors will not correspond or communicate with Regulatory Authorities regarding any respective Licensed Product without first obtaining Seagen's prior written consent. If Nurix, its Affiliates or its permitted subcontractors receive any correspondence or other communication from a Regulatory Authority regarding a Licensed Product, Nurix will provide Seagen with access to or copies of all such material written or electronic correspondence promptly after its receipt.

1.1.3 Nurix Support. Nurix will support Seagen as may be reasonably requested in writing by Seagen from time to time in connection with Seagen's preparation, submission to Regulatory Authorities and maintenance of Regulatory Materials for respective Licensed Products, including, upon Seagen's reasonable written request, attending meetings with Regulatory Authorities regarding any respective Licensed Product. Seagen will reimburse Nurix for the costs of its support at the rate of [*].

1.2 **Regulatory Materials**.

1.1.1 Existing Regulatory Materials. Except to the extent notified otherwise in writing by Seagen, on a Licensed Product-by-Licensed Product basis, Nurix will assign and transfer (and hereby does assign and transfer as of the applicable Degrader License Effective Date), to Seagen (or its designee), no later than ten (10) Business Days after the applicable Degrader License Effective Date all Regulatory Materials (if any) for the applicable Licensed Degraders Controlled by or on behalf of Nurix or its Affiliates as of the applicable Degrader License Effective Date (the "**Existing Regulatory Materials**"), including by providing true, accurate and complete hard and electronic copies thereof to Seagen. From and after such assignment and transfer, Seagen (or its designee) will have the sole right, in its sole discretion, to file, maintain and hold title to all such Existing Regulatory Materials.

1.1.2 New Regulatory Materials. All Regulatory Materials generated or arising from or in connection with activities under this Agreement with respect to Licensed Products after the Degrader License Effective Date for such Licensed Product will be owned by and held in the name of Seagen or its designee, and, except for Existing Regulatory Materials (which are addressed in Section 7.2.1 (Existing Regulatory Materials)), any such Regulatory Materials issued in the name of Nurix, its Affiliates or contractors will, promptly following the applicable Degrader License Effective Date, be assigned by Nurix to Seagen or its designee to the extent permitted by Applicable Law or, in the event assignment is not permitted under Applicable Law, held in trust for, or for the sole benefit of, Seagen or its designee.

1.3 **Right of Reference; Access to Data**. In the event of failure to transfer and assign any Regulatory Materials to Seagen or its designee, as required by Section 7.2.1 (Existing Regulatory Materials) or Section 7.2.2 (New Regulatory Materials), Seagen and its designees will have, and Nurix (on behalf of itself and its Affiliates) hereby grants to Seagen and its designees, access (as described in Section 7.2.1 (Existing Regulatory Materials) or Section 7.2.2 (New Regulatory Materials)) and a right of reference (without any further action required on the part of Nurix, its Affiliates or contractors, whose authorization to file this consent with any Regulatory Authority is hereby granted) to all Existing Regulatory Materials and Regulatory Materials described in Section 7.2.2 (New Regulatory Materials) and all data contained or referenced therein for Seagen and its designees to exercise its rights and perform its obligations under this Agreement with respect to the applicable Licensed Products. In all cases, Seagen and its designees will have access to all data contained or referenced in all such Regulatory Materials described in Section 7.2.1 (Existing Regulatory Materials) or Section 7.2.2 (New Regulatory Materials), and Nurix will ensure that Seagen and its designees are afforded such access by fulfilling its obligations thereunder.

## ARTICLE 8
## MANUFACTURING; PHARMACOVIGILANCE

1.1 **General**. From and after the applicable Degrader License Effective Date, and subject to the terms and conditions of this Agreement, Seagen will have the sole right to Manufacture (and will solely control, at its discretion, the Manufacture of), itself or with or through its Affiliates, Sublicensees or other Third Parties, the respective Collaboration Degraders, Collaboration Degrader-Antibody Conjugates, and Licensed Products in the Field in the Territory. Subject to an applicable Profit-Share Product Agreement (if executed), all such Manufacturing will be at Seagen's sole cost and expense. Nurix will keep Seagen informed regarding any relevant pharmacovigilance information Controlled by Nurix regarding other Degraders that include the same Proteasome Protein Binder as any Licensed Product to the extent necessary for Seagen and its Affiliates and Sublicensees to comply with Applicable Law. Without limiting the foregoing, the Parties shall negotiate in good faith and enter into a pharmacovigilance agreement or quality agreement if required by Applicable Law.

## ARTICLE 9
## COMMERCIALIZATION

1.1 **Commercialization Responsibility**. Subject to the terms and conditions of this Agreement and the applicable Nurix Opt-In Agreements (if executed), Seagen will have the sole and exclusive right to Commercialize (and will solely and exclusively control, at its discretion, the Commercialization of), itself or with or through its Affiliates, Sublicensees or other Third Parties, the applicable Licensed Products in the Field in the Territory. Subject to the applicable Nurix Opt-In Agreements (if executed), all such Commercialization will be at Seagen's sole cost and expense.

1.2 **Commercialization Diligence**. For each Licensed Degrader Target Set, following the first Regulatory Approval of a Licensed Product that is Directed To such Licensed Degrader Target Set for the applicable country, Seagen will use Commercially Reasonable Efforts to Commercialize at least one (1) Licensed Product that is Directed To such Licensed Degrader Target Set for [*] Indications in each of the [*] countries. For clarity, such requirement may be satisfied by [*].

## ARTICLE 10
## GOVERNANCE

1.1 **Joint Steering Committee**.

1.1.1 JSC Membership. Promptly, and in any event within [*] days following the Effective Date, the Parties will establish a joint steering committee (the "**JSC**") as a forum for communication between the Parties in connection with their activities under this Agreement, to resolve Disputes that are properly escalated to the JSC pursuant to this Article 10 (Governance) and, to the extent Nurix exercises its Profit-Share Option, to serve as a forum for communication regarding Development and U.S. Commercialization activities with respect to the relevant Profit-Share Product during the Term that are relevant to this Agreement or the relevant Nurix Opt-In Agreement(s). The JSC will comprise [*] employee representatives of Seagen and [*] employee representatives of Nurix (or such other equal number of representatives as the Parties may agree), and the Alliance Managers may also attend JSC meetings in a non-voting capacity. Subject to the foregoing, each Party will appoint its respective representatives to the JSC from time to time, and may change its representatives, in its sole discretion, effective upon notice to the other Party designating such change. The JSC shall have co-chairpersons (the "**JSC Co-Chairs**"), and each Party shall select from their representatives its respective JSC Co-Chair and may change its designated JSC Co-Chair in its sole discretion, effective upon notice to the other Party designating such change. The JSC Co-Chairs will be jointly responsible for calling meetings of the JSC, circulating agenda and performing administrative tasks required to assure efficient operation of the JSC. The JSC may from time to time establish one (1) or more committees, subcommittees, or other project teams or working groups (each, a "**Subcommittee**") to perform certain duties and exercise certain powers of the JSC as expressly set forth in this Agreement or delegated by the JSC to such Subcommittee (*e.g.*, in the event Nurix exercises a Profit-Share Option, one (1) or more Subcommittees to oversee and coordinate the Parties' co-promotion activities and the sharing of profit/loss and development costs with respect to the applicable Profit-Share Product). The JSC and any Subcommittee, including the JRC, and each Joint Research Team, are each referred to herein as a "**Committee**."

1.1.2 JSC Meetings. The JSC will meet [*] or as otherwise mutually agreed by the Parties (*provided*, that following dissolution of the JRC, the JSC shall not meet unless (i) there is a Profit-Share Product, or (ii) to resolve a Dispute properly referred to the JSC for resolution by the Joint Patent Committee in accordance with Section 10.6.4 (JPC Decisions)). The location for in-person meetings will alternate between Nurix and Seagen facilities (or such other location as is determined by the JSC). Alternatively, the JSC may meet by means of teleconference, videoconference or other similar means. As appropriate, additional employees or consultants of each Party may from time to time attend the JSC meetings as nonvoting observers; *provided*, that any such consultant will agree in writing to comply with confidentiality and non-use obligations substantially similar to those under this Agreement; and *provided, further*, that no Third Party personnel may attend unless otherwise agreed by both Parties and such Third Party is bound by confidentiality and non-use obligations substantially similar to those under this Agreement. Each Party will bear its own expenses related to the attendance of the JSC meetings by its representatives. Each Party may also call for special meetings to resolve particular matters requested by such Party upon at least [*] Business Days' prior written notice to the other Party. Each Party's respective JSC Co-Chair or their designee will alternate responsibility for preparing reasonably detailed written minutes of each JSC meeting to record all decisions made, action items assigned or completed and other appropriate matters. The JSC Co-Chairs or their respective designees will send meeting minutes to all members of the JSC for review promptly after each meeting. Each member will have [*] Business Days from receipt to comment on and to approve or provide comments to the minutes (such approval not to be unreasonably withheld, conditioned or delayed). If a member, within such time period, does not notify the applicable JSC Co-Chair in writing that they do not approve the minutes, the minutes will be deemed to

have been approved by such member. Each Party's JSC Co-Chair may designate another staff member of such Party, which could be the Alliance Manager, to coordinate administrative work for the JSC, including sending the written notice of holding JSC meetings, creating the draft of minutes or distributing the minutes.

1.1.3 JSC Functions. The JSC's responsibilities are as follows:

(a) Serving as a forum for communication between the Parties regarding the performance of the Research Programs hereunder, as necessary;

(b) If Nurix has exercised a Profit-Share Option, serving as a forum for communication regarding Development and U.S. Commercialization activities with respect to the relevant Profit-Share Product during the Term that are relevant to this Agreement or the relevant Nurix Opt-In Agreement(s);

(c) Resolving matters properly escalated to it by any other Committee that are within the scope of responsibilities of the JSC, or delegated to such other Committee by the JSC, or otherwise pursuant to this Agreement; and

(d) Fulfilling such other responsibilities as may be allocated to the JSC under this Agreement or by mutual written agreement of the Parties.

1.1.4 JSC Dissolution. The JSC shall automatically dissolve and have no further responsibilities or authority after the expiration of the Term.

1.2 **Joint Research Committee**.

1.1.1 JRC Membership. Promptly, and in any event within [*] days following the Effective Date, the Parties will establish a joint research committee (the "**JRC**") to oversee and coordinate the activities of the Parties under this Agreement with respect to the Research Programs. The JRC will be comprised of [*] employee representatives of Seagen and [*] employee representatives of Nurix (or such other equal number of representatives as the JSC or JRC may determine) that have appropriate expertise, credentials and authority for the tasks to be undertaken by the JRC, and the Alliance Managers will also attend JRC meetings in a non-voting capacity. Subject to the foregoing, each Party will appoint its respective representatives to the JRC from time to time, and may change its representatives, in its sole discretion, effective upon written notice to the other Party designating such change. Representatives from each Party will have appropriate technical credentials, experience and knowledge pertaining to and ongoing familiarity with the Research activities under the Joint Research Plans.

1.1.2 JRC Co-Chairs. The JRC shall have co-chairpersons (the "**JRC Co-Chairs**"). The JRC Co-Chairs will be responsible for calling meetings of the JRC, circulating agenda and performing administrative tasks required to assure efficient operation of the JRC. Each Party's respective JRC Co-Chair or their designee will alternate responsibility for preparing reasonably detailed written minutes of each JRC meeting to record all decisions made, action items assigned or completed and other appropriate matters. The applicable JRC Co-Chair will send meeting minutes to all members of the JRC promptly after a meeting for review. Each member will have [*] Business Days from receipt in which to comment on and to approve or provide comments to the minutes (such approval not to be unreasonably withheld, conditioned or delayed). If a member, within such time period, does not notify the applicable JRC Co-Chair in writing that they do not approve of the minutes, the minutes will be deemed to have been approved by such member. Each Party's JRC Co-Chair may designate another staff member of such Party, which could be the Alliance Manager, to coordinate administrative work for the JRC,

including sending the written notice of holding JRC meetings, creating the draft of minutes or distributing the minutes.

1.1.3 JRC Meetings. The JRC will meet by mutual written agreement of the Parties no less frequently than once every [*] months. The location for in-person meetings will alternate between Nurix and Seagen facilities (or such other location as is determined by the JRC). Alternatively, the JRC may meet by means of teleconference, videoconference or other similar means. Each Party may also call for special meetings to discuss particular matters requested by such Party upon at least [*] Business Days' prior written notice to the other Party.

1.1.4 Other Members; Expenses. As appropriate, additional employees or consultants of each Party may from time to time attend the JRC meetings as nonvoting observers; *provided*, that any such consultant will agree in writing to comply with confidentiality and non-use obligations substantially similar to those under this Agreement; and *provided, further*, that no Third Party personnel may attend unless otherwise agreed by both Parties and such Third Party is bound by confidentiality and non-use obligations substantially similar to those under this Agreement. Each Party will bear its own expenses related to the attendance of the JRC meetings by its representatives.

1.1.5 JRC Functions. The purpose of the JRC will be to oversee and coordinate the conduct of the Research Programs. The JRC's specific responsibilities are as follows:

(a) Overseeing and coordinating the activities of each Party (including those of any of its Affiliates and Third Parties acting under its authority) under each Research Program, including the performance of Research activities under this Agreement, including as set forth in the applicable Joint Research Plan;

(b) Preparing and approving the Joint Research Plan for the [*] or any Replacement Degrader Target Set;

(c) Receiving and reviewing Research Results;

(d) Determining that a Collaboration Degrader meets (or does not meet) the applicable Collaboration Degrader Criteria;

(e) Determining whether to remove any Degrader Target(s) from a Collaboration Degrader Target Set;

(f) Approving any proposed amendment to any Joint Research Plan;

(g) Fulfilling such other responsibilities as may be allocated to the JRC under this Agreement, by the JSC or by mutual written agreement of the Parties.

1.1.6 JRC Dissolution. The JRC shall automatically dissolve and have no further responsibilities or authority after the expiration of the last-to-expire Seagen Research Term.

1.3 **Joint Research Teams**.

1.1.1 Joint Research Team Membership. Promptly, and in any event within [*] days following the applicable Degrader Target Set Selection Date, the JRC shall establish a joint research team as a working group of the JRC for each Collaboration Degrader Target Set (each a "**Joint Research Team**"); *provided*, that with respect to the Initial Degrader Target Sets, the applicable Joint Research Teams shall be formed on the Effective Date and shall comprised of

the individuals set forth on Schedule 10.3.1. Each Joint Research Team shall include appropriate representation of each Party (which representation need not be equal), and each member of a Joint Research Team shall have appropriate technical expertise, credentials, experience and authority for the relevant Collaboration Degrader Target Set and the tasks to be undertaken by such Joint Research Team. Subject to the foregoing, each Party will appoint its respective representatives to each Joint Research Team from time to time, and may change its representatives, in its sole discretion, effective upon written notice to the other Party designating such change; *provided*, that each Party shall designate [*] from such Party to each Joint Research Team.

1.1.2 Functions; No Decision-Making Authority. Each Joint Research Team shall serve as a forum for communication between the Parties with respect to the applicable Collaboration Degrader Target Set and the relevant Joint Research Plan, and shall monitor the implementation of such Joint Research Plan hereunder. The Joint Research Teams shall endeavor to agree and operate by consensus with respect to any matter before the Joint Research Team; *provided*, that the Joint Research Teams shall not have any decision-making authority under this Agreement. In the event the representatives of the Parties on a Joint Research Team are not able to reach agreement on a matter properly before the Joint Research Team within [*] days, then the matter shall be reported to the Alliance Managers for escalation to the JRC.

1.1.3 Joint Research Team Dissolution. Each Joint Research Team shall automatically dissolve and have no further responsibilities or authority upon the expiration of the Seagen Research Term for the relevant Collaboration Degrader Target Set applicable to such Joint Research Team.

1.4 **Joint Patent Committee**. Promptly after the first JSC meeting, the Parties will form a Joint Patent Committee (the "**Joint Patent Committee**" or "**JPC**"). The Joint Patent Committee shall comprise an equal number of representatives from each Party. The Joint Patent Committee will be responsible for the coordination of the Parties' efforts in accordance with the provisions set forth in Article 15 (Intellectual Property Matters).

1.5 **Alliance Manager**. Within [*] Business Days following the Effective Date, each Party will appoint an individual to act as the alliance manager for such Party (each, an "**Alliance Manager**"). Each Alliance Manager will thereafter be permitted to attend meetings of each Committee as a nonvoting observer. The Alliance Managers will be the primary point of contact for the Parties regarding the activities under this Agreement and will help facilitate all such activities hereunder. At any given time, the Alliance Managers will be responsible for keeping a then-current list of (a) each Collaboration Degrader Target Set, including any addition or removal thereto, (b) progress under the respective Joint Research Plan, (c) Research Milestone Events that have been achieved, (d) Collaboration Degraders and Collaboration Degrader-Antibody Conjugates under each applicable Research Program, and (e) Licensed Degrader Target Sets, Licensed Degraders and Licensed Degrader-Antibody Conjugates. The Alliance Managers will also keep the JRC reasonably informed of any changes to the items identified in the immediately previous sentence.

1.6 **Committee Decisions**.

1.1.1 JRC Decisions. The JRC will endeavor to make decisions by consensus with each Party having, collectively, a single vote on any matter before the JRC irrespective of the number of representatives of such Party in attendance at a meeting of the JRC. In the absence of consensus with respect to a matter that remains unresolved, each Party shall have the right to refer such matter to the JSC for resolution in accordance with and subject to Section 10.6.2 (JSC Decisions) and Section 10.6.3 (Escalation of Certain JRC Disputes).

1.1.2 JSC Decisions. Any decision by the JSC on any matter with respect to which it has authority must be made by consensus, with each Party having, collectively, a single vote on any such matter irrespective of the number of representatives of such Party in attendance at a meeting of the JSC; *provided*, that if, despite using reasonable efforts, the JSC cannot reach consensus on any such deadlocked matter within a period of [*] days (or such other period as the Parties may agree in writing) after it has met and attempted to reach such consensus, then either Party may, by written notice to the other Party, refer the deadlocked matter to the Executive Officers for resolution in the manner described in Section 20.6.2 (Dispute Escalation) (notwithstanding anything to the contrary contained in such Section); *provided*, *however*, that, if such Executive Officers do not reach agreement on such deadlocked matter within [*] days after such deadlocked matter is first referred to the Executive Officers, then, subject to Section 15.2.1(b), if applicable, on a Research Program-by-Research Program basis:

(a) Seagen will have final decision-making authority on the JSC with respect to any decision:

(i) involving the occurrence of a Research Milestone Event;

(ii) involving the day-to-day implementation of any Seagen Research activity that is set forth in a Joint Research Plan, including any amendments thereto;

(iii) involving the clinical Development and Commercialization of a Licensed Product;

(iv) primarily related to (A) the conjugation of a Collaboration Degrader to an Antibody, or (B) the advancement of a Collaboration Degrader-Antibody Conjugate to a subsequent stage of Research or Development (for clarity, the Collaboration Degrader Criteria may be used in connection with decisions as to whether to advance particular Collaboration Degraders that are Directed To such Collaboration Degrader Target Set); and

(v) to amend a Joint Research Plan (including amending a Joint Research Plan to remove any Degrader Target from a Collaboration Degrader Target Set, as described in Section 2.5 (Removal of Collaboration Degrader Targets), and any corresponding activity intended to optimize a Collaboration Degrader to cause pharmacologically relevant activity as a result of binding or degradation of the applicable Degrader Target); *provided*, that such amendment does not (A) add any Degrader Target to the applicable Collaboration Degrader Target Set (without limiting Seagen's rights under Article 2 (Degrader Target Sets) or Article 3 (Gatekeeping)), or (B) require Nurix to (1) take any action that would or would reasonably be expected to result in a violation of Applicable Law, (2) breach or terminate any agreement between Nurix and a Third Party, (3) hire or engage additional employees or agents outside the ordinary course of business, (4) purchase any capital equipment solely for use in connection with such Joint Research Plan outside the ordinary course of business, or (5) acquire or expand any interest in real property.

(b) Nurix, subject to its obligations to use Commercially Reasonable Efforts as described in Article 4 (Research), will have final decision-making authority on the JSC with respect to any decision primarily related to:

(i) the allocation and use of Nurix resources in the performance of the Research activities assigned to Nurix under any Joint Research Plan;

(ii) the day-to-day implementation of any Nurix Research activity that is set forth in the Joint Research Plan, including any amendments thereto;

(iii) the design or synthesis of Collaboration Degraders; *provided*, that Nurix will not, and will not use its final decision-making authority herein to, unreasonably withhold, condition, or delay consent to any Seagen-requested change to the chemical composition of a Collaboration Degrader; *provided*, that (A) such Seagen-requested change is reasonable, (B) such Seagen-requested change would not cause Nurix to violate any exclusivity obligations owed to a Third Party, and (C) the resulting Collaboration Degrader would continue to be Directed To the applicable Collaboration Degrader Target Set; and

(iv) the design and execution of Collaboration Degrader preclinical absorption, distribution, metabolism, and excretion (ADME) studies as contemplated by the applicable Joint Research Plan to be conducted by Nurix for the purposes of informing the activities in clause (ii) above; *provided*, that such design and execution are consistent with the applicable portions of such Joint Research Plan.

1.1.3 Escalation of Certain JRC Disputes. Any decision by the JRC on any matter with respect to which it has express authority must be made by consensus, with each Party having, collectively, a single vote on any such matter irrespective of the number of representatives of such Party in attendance at a meeting of the JRC; *provided*, that if, despite using reasonable efforts, the JRC cannot reach consensus on any such deadlocked matter within a period of [*] days (or such other period as the Parties may agree in writing) after it has met and attempted to reach such consensus, then either Party may, by written notice to the other Party, refer the deadlocked matter to the JSC for resolution pursuant to Section 10.6.2 (JSC Decisions).

1.1.4 JPC Decisions. Subject to Section 15.2.1(b), if applicable, in the event of a dispute or failure to reach unanimous agreement on any matter before the Joint Patent Committee, such dispute or failure to agree shall be submitted to the chief patent counsels of each Party for resolution, subject to the provisions of Article 15 (Intellectual Property Matters) that determine which Party has control and final decision-making authority with respect to certain matters related to the Prosecution and Maintenance and enforcement of Patents. Subject to Section 20.6.1 (Choice of Law) regarding Patent Disputes and Section 15.2.1(b), if applicable, any other such dispute or failure to agree not resolved by the chief patent counsels of the Parties may be referred to the JSC for resolution.

1.7 **Scope of Committee Authority**. For clarity and notwithstanding the creation of any Committee, each Party will retain the rights, powers and discretion granted to it hereunder, and no Committee will be delegated or vested with such rights, powers or discretion unless such delegation or vesting is expressly provided herein, or the Parties expressly so agree in writing (including any decision to be made at Party's sole discretion hereunder). No Committee, nor a Party via exercise of its final decision-making authority will have the power to (a) subject to Seagen's final decision-making authority in Section 10.6.2(a)(i), resolve any Dispute regarding the amount of any payment owed under this Agreement, (b) amend, waive or modify any term of this Agreement, (c) determine whether or not a Party has met its diligence or other obligations under this Agreement, or (d) determine whether or not a Party has final decision-making authority with

respect to a matter, and no decision of any Committee or exercise by a Party of its final decision-making authority will be in contravention of any express terms or conditions of this Agreement. It is understood and agreed that issues to be formally decided by the JRC are limited to those specific issues that are expressly provided in Section 10.2.5 (JRC Functions) of this Agreement and Disputes at the JRC which relate to subjects other than those expressly set forth in Section 10.2.5 (JRC Functions) will be handled according to Section 10.6.1 (JRC Decisions) and Section 20.6 (Choice of Law; Dispute Resolution; Jurisdiction), as applicable. Once a Committee is disbanded, such Committee will have no further obligations under this Agreement and, thereafter, each Party will designate a contact person for the exchange of information under this Agreement or such exchange of information will be made through the Alliance Managers. In the event a Committee is disbanded, any decisions that are designated under this Agreement as being subject to the review or approval of such Committee will be made by the Parties directly, subject to the other terms and conditions of this Agreement.

1.8 **Day-to-Day Responsibilities**. Each Party will be responsible for day-to-day implementation and operations of the activities for which it has or is otherwise assigned responsibility under this Agreement; *provided*, that such implementation is not inconsistent with the express terms of this Agreement or the decisions of the JRC within the scope of its authority specified herein.

1.9 **No Services**. The activities to be performed by the JRC and any Subcommittee shall solely relate to governance under this Agreement and are not intended to be or involve the delivery of services.

## ARTICLE 11
## U.S. PROFIT-SHARE OPTION

1.1 **U.S. Profit-Share Option**. Subject to the terms set forth in this Article 11 (U.S. Profit-Share Option), Nurix will have two (2) options (each such option, a "**Profit-Share Option**"), each such Profit-Share Option exercisable with respect to one (1) Licensed Product (each such Licensed Product after Profit-Share Option exercise in accordance with this Article 11 (U.S. Profit-Share Option), including Section 11.2.3 (Profit-Share Products), a "**Profit-Share Product**"), to enter into the following agreements with Seagen or its Affiliate for each such Profit-Share Product: (a) a Profit-Share Product Co-Funding and Profit-Sharing Agreement providing for the sharing of the net profits and net losses of and Global Development Costs for such Profit-Share Product on a [*] basis ([*]) on the terms set forth in Schedule 11.1A (each such agreement, a "**Profit-Share Product Agreement**"), and (b) a Co-Promotion Agreement regarding the co-promotion of such Profit-Share Product in the U.S. on the terms set forth in Schedule 11.1B (each such agreement, a "**Co-Promotion Agreement**"). The Profit-Share Product Agreement and Co-Promotion Agreement for a particular Profit-Share Product, and any other agreement(s) entered into by the Parties or their Affiliates pursuant to such agreements, are referred to herein, together, as the "**Nurix Opt-In Agreement(s)**." Each of the Nurix Opt-In Agreements will contain the terms and conditions set forth in the respective Schedules referenced above for such Nurix Opt-In Agreement as well as other terms and conditions as are reasonable and customary for the applicable subject matter in the context of a similar arrangement between similarly situated biopharmaceutical or biotechnology companies involving a similar product, taking into account all relevant factors (including, for example, the experience of the Parties in Commercializing biopharmaceutical products and the relative roles of the Parties with respect to the promotion of and medical affairs related to the relevant Profit-Share Product). Such Nurix Opt-In Agreement terms shall be negotiated in good faith by the Parties promptly following exercise by Nurix of the applicable Profit-Share Option; *provided*, that the Parties shall use Commercially Reasonable Efforts to execute all Nurix Opt-In Agreements with respect to the applicable Profit-Share Product within [*] following Nurix's delivery to Seagen of the Profit-Share Option Exercise Notice; *provided, further*, that if, at the end of such [*] period, the Parties are continuing to negotiate in

good faith (i) with respect to the applicable Profit-Share Product Agreement, such period shall be extended to a date mutually agreed by the Parties to enable the Parties to finalize and execute such Profit-Share Product Agreement and (ii) with respect to the applicable Co-Promotion Agreement, such period shall be extended by [*] (it being agreed and acknowledged that in order for Nurix to exercise its co-promotion rights with respect to a Profit-Share Product, the Parties shall use Commercially Reasonable Efforts to mutually agree on a form of Co-Promotion Agreement as promptly as practicable and shall enter into the relevant Co-Promotion Agreement (A) if the Profit-Share Option Triggering Event was [*], and (B) for all other Profit-Share Option Triggering Events, at least [*] before the expected Commercial launch of the Profit-Share Product in the U.S.).

1.2 **Exercise of Profit-Share Option**.

1.1.1 Option Data Package. No later than [*] before the anticipated achievement by Seagen of a Profit-Share Option Triggering Event with respect to any Licensed Product, Seagen shall provide or make available to Nurix a data package for such Licensed Product including (a) to the extent available and in Seagen's possession and Control (for clarity, without requiring Seagen to conduct any additional Research or Development activities): (i) [*], (ii) [*], and (iii) [*]; and (b) [*], in each case, for such Licensed Product (clauses (a) and (b), collectively, the "**Option Data Package**"); *provided*, that Seagen shall have no obligation to provide an Option Data Package to Nurix for a given Licensed Product and Nurix shall have no right to exercise its Profit-Share Option with respect to such Licensed Product, in each case, if Nurix has previously exercised two (2) Profit-Share Options and the Parties have entered into a Profit-Share Product Agreement for the Profit-Share Products that were the subject of such exercises. If the applicable Profit-Share Option Triggering Event has not occurred within [*] of Seagen's delivery of the applicable Option Data Package or if the Profit-Share Option Triggering Event was [*], then Seagen shall, within [*] Business Days following the applicable Profit-Share Option Triggering Event, provide Nurix with a written summary of material updates to the information provided by Seagen for the applicable Option Data Package and provide or make available to Nurix updated copies of the documents and information described in clause (a) above, as applicable, including any [*] with respect to such Licensed Product to the extent applicable (such written summary and updates, the "**Supplementary Option Data Package**"). For the avoidance of doubt, Seagen may, upon notice to Nurix or through a Committee, update its anticipated date of obtaining Regulatory Approval and Commercial launch in the U.S. for a Licensed Product from time to time, and Seagen shall notify Nurix of its anticipated date of obtaining Regulatory Approval and Commercial launch in the U.S. for a Licensed Product from time to time upon Nurix's reasonable request.

1.1.2 Option Exercise. Seagen shall notify Nurix in writing promptly following the occurrence of a Profit-Share Option Triggering Event, which notice shall indicate the relevant event and date thereof. At any time during the applicable Profit-Share Option Exercise Period, Nurix may exercise one (1) of its Profit-Share Options with respect to the Licensed Product identified in such Option Data Package by providing a written notice to Seagen (such notice the "**Profit-Share Option Exercise Notice**"). For purposes of this Agreement, "**Profit-Share Option Exercise Period**" means, on a Licensed Product-by-Licensed Product basis, the period of time beginning on the occurrence of the Profit-Share Option Triggering Event for such Licensed Product, and ending on the later to occur of (a) [*] after delivery by Seagen of the Option Data Package for such Licensed Product, and (b) [*] after the later to occur of (i) delivery of written notice by Seagen to Nurix that the applicable the Profit-Share Option Triggering Event for such Licensed Product had occurred, and (ii) to the extent required under Section 11.2.1 (Option Data Package), delivery of the Supplementary Option Data Package.

1.1.3 Profit-Share Products. If Nurix exercises a Profit-Share Option for a Licensed Product and Seagen does not veto such exercise to the extent permitted to do so and in

accordance with Section 11.3 (U.S. Profit-Share Opt-In Veto), then: (a) upon execution of the applicable Profit-Share Product Agreement, such Licensed Product will be a Profit-Share Product; and (b) starting from such exercise and subject to Section 11.2.4 (Milestone Payments Related to the Profit-Share Triggering Events) and Section 11.4.2 (Opt-Out Date and Wind-Down), Nurix will forego the right to receive Development and Regulatory Milestone Payments for [*] Development and Regulatory Milestones Events achieved or deemed achieved by such Profit-Share Product (such Milestone Payments, the "**Foregone Milestones**"). For the avoidance of doubt, there shall be no more than two (2) Profit-Share Products under this Agreement.

1.1.4 Milestone Payments Related to the Profit-Share Triggering Events.

(a) If (i) the Profit-Share Option Triggering Event is [*], (ii) Nurix exercises its Profit-Share Option in accordance with Section 11.2 (Exercise of Profit-Share Option), and (iii) Seagen does not veto such exercise pursuant to Section 11.3 (U.S. Profit-Share Opt-In Veto), then, in the case of (i), (ii) and (iii), notwithstanding anything to the contrary contained herein:

(A) such Profit-Share Option Triggering Event shall constitute achievement of Development and Regulatory Milestone Event [*], and Seagen shall pay Nurix the Development and Regulatory Milestone Payment for Development and Regulatory Milestone Event [*] in accordance with Section 13.7 (Development and Regulatory Milestones) (*e.g.*, if the applicable Licensed Product is the First Licensed Product (as defined in Section 13.7.2(b)), then Seagen shall pay Nurix [*];

(B) in lieu of paying Development and Regulatory Milestone Payment [*] in accordance with Section 13.7 (Development and Regulatory Milestones), Seagen shall, upon achievement of Development and Regulatory Milestone Event [*], pay Nurix an amount equal to [*]; and

(C) for clarity, in the event that the applicable Licensed Product is not the First Licensed Product (as defined in Section 13.7.2(b)), then the principles set forth above shall apply to the applicable payment amounts as adjusted subject to [*].

(b) If (i) the Profit-Share Option Triggering Event is [*], (ii) Nurix exercises its Profit-Share Option in accordance with Section 11.2 (Exercise of Profit-Share Option), and (iii) Seagen does not veto such exercise pursuant to Section 11.3 (U.S. Profit-Share Opt-In Veto), then, in the case of (i), (ii) and (iii), notwithstanding anything to the contrary contained herein, such Profit-Share Option Triggering Event shall constitute achievement of Development and Regulatory Milestone Event [*]; *provided* that, in lieu of paying Development and Regulatory Milestone Payment [*] in accordance with Section 13.7 (Development and Regulatory Milestones), Seagen shall pay Nurix an amount equal to [*]. For clarity, in the event that the applicable Licensed Product is not the First Licensed Product (as defined in Section 13.7.2(b)), then the principles set forth above shall apply to the applicable payment amounts as adjusted subject to [*].

(c) If (i) the Profit-Share Option Triggering Event is [*], (ii) Nurix exercises its Profit-Share Option in accordance with Section 11.2 (Exercise of Profit-Share Option), and (iii) Seagen does not veto such exercise pursuant to Section 11.3 (U.S. Profit-Share Opt-In Veto), then, in the case of (i), (ii) and (iii), notwithstanding anything to the contrary contained herein:

(A) such Profit-Share Option Triggering Event shall constitute achievement of Development and Regulatory Milestone Event [*]; *provided* that, in lieu of paying Development and Regulatory Milestone Payment [*] in accordance with Section 13.7 (Development and Regulatory Milestones), Seagen shall pay Nurix an amount equal to [*];

(B) such Profit-Share Option Triggering Event shall also constitute achievement of Development and Regulatory Milestone Event [*]; *provided* that, in lieu of paying Development and Regulatory Milestone Payment [*] in accordance with Section 13.7 (Development and Regulatory Milestones) upon [*], Seagen shall pay Nurix an amount equal to the Development and Regulatory Milestone Payment for Development and Regulatory Milestone Event [*]; and

(C) for clarity, in the event that the applicable Licensed Product is not the First Licensed Product (as defined in Section 13.7.2(b)), then the principles set forth above shall apply to the applicable payment amounts as adjusted subject to [*].

(d) Notwithstanding anything to the contrary contained herein (including in Section 13.9.1 (Research, Development and Regulatory Milestones)), in the event that any Development and Regulatory Milestone Event is achieved or deemed to be achieved pursuant to this Section 11.2.4 (Milestone Payments Related to the Profit-Share Triggering Events), Seagen shall notify Nurix thereof within [*] after Seagen's receipt of the applicable Profit-Share Option Exercise Notice and request an invoice from Nurix for the applicable Milestone Payment, and Seagen, subject to any good faith Dispute regarding the applicable Milestone Event or Milestone Payment, shall pay the applicable Milestone Payment within [*] after receipt of such invoice. In the event of any conflict or inconsistency between the notice and payment provisions of Article 13 (Financial Terms) and this Section 11.2.4 (Milestone Payments Related to the Profit-Share Triggering Events) with respect to any Milestone Event or Milestone Payment that is or could be subject to this Section 11.2.4 (Milestone Payments Related to the Profit-Share Triggering Events), the terms of this Section 11.2.4 (Milestone Payments Related to the Profit-Share Triggering Events) shall control, and the notice and payment provisions of Article 13 (Financial Terms) shall be tolled until it is determined whether the terms and conditions of this Section 11.2.4 (Milestone Payments Related to the Profit-Share Triggering Events) apply to any such Milestone Event or Milestone Payment.

(e) [*].

1.1.5 Co-Promotion Criteria. Notwithstanding anything to the contrary contained in this Agreement, on a Profit-Share Product-by-Profit-Share Product basis, as soon as practicable following Nurix's delivery to Seagen of a Profit-Share Option Exercise Notice, Nurix shall provide to Seagen (a) a plan (supported with reasonable documentation) to phase in and hire an adequate sales force and sufficient medical affairs personnel to support Nurix's co-promotion activities with respect to the Profit-Share Product consistent with the applicable Option Data Package and Global Development Cost Estimated Budget ("**Nurix Co-Promotion Plan**") which plan shall be delivered to Seagen (i) if the Profit-Share Option Triggering Event was [*], at [*], and (ii) for all other Profit-Share Option Triggering Events, at least [*], and (b) reasonable documentation that Nurix has or shall have the Nurix Resources in place as of the anticipated date of entry of the applicable Co-Promotion Agreement. If Nurix does not provide to Seagen the Nurix Co-Promotion Plan, or have in place the Nurix Resources, in each case as of

the date when required to be provided or satisfied (as applicable) under this Section 11.2.5 (Co-Promotion Criteria), then Nurix shall not have the right and Seagen shall not have the obligation to enter into a Co-Promotion Agreement with respect to such Profit-Share Product. Any Dispute regarding Nurix's satisfaction of the requirements of this Section 11.2.5 (Co-Promotion Criteria) shall be resolved pursuant to Section 20.6.2 (Dispute Escalation). For the avoidance of doubt, failure by Nurix to satisfy the co-promotion criteria contemplated by this Section 11.2.5 (Co-Promotion Criteria) or the absence of a Co-Promotion Agreement as contemplated hereby will have no impact on the rights and obligations of the Parties with respect to a Profit-Share Product Agreement with respect to such Profit-Share Product. For purposes of this Agreement, "**Nurix Resources**" means with respect to the Profit-Share Product, Nurix has as of such time [*] in cash or a *bona fide* financing plan to raise such amount in cash in the timeframe required by the Global Development Cost Estimated Budget for such Profit-Share Product.

1.3 **U.S. Profit-Share Opt-In Veto**. Notwithstanding the foregoing in this Article 11 (U.S. Profit-Share Option), Seagen will have the right to veto Nurix's exercise of a Profit-Share Option for a maximum of [*] Licensed Products by providing written notice to Nurix of Seagen's veto within [*] Business Days after Seagen's receipt of the applicable Profit-Share Option Exercise Notice; *provided*, that Seagen may [*]. If Seagen exercises a veto right, Nurix will be deemed not to have exercised the applicable Profit-Share Option.

1.4 **Nurix Opt-Out.**

1.1.1 Opt-Out Notice. Subject to the terms and conditions of this Agreement (including this Section 11.4 (Nurix Opt-Out)), on a Profit-Share Product-by-Profit-Share Product basis, Nurix shall have the right, exercisable in its sole discretion, to elect to opt-out of: (a) all of the Nurix Opt-In Agreements then in effect with respect to such Profit-Share Product and instead receive the royalty payments described in Section 13.10 (Royalties); or (b) if a Profit-Share Product Agreement has been executed and remains in effect, only the Co-Promotion Agreement with respect to such Profit-Share Product, in which case the terms and conditions of the Profit-Share Product Agreement and of this Agreement with respect to Profit-Share Products shall continue to apply, subject to any applicable terms of the relevant Nurix Opt-In Agreements. Nurix may exercise its right to opt-out under this Section 11.4.1 (Opt-Out Notice) by delivery to Seagen of written notice indicating such exercise and whether such exercise is under clause (a) or (b) of this Section 11.4.1 (Opt-Out Notice) (each such notice, a "**Nurix Opt-Out Notice**"); *provided, however*, that Nurix may not, without the prior written consent of Seagen, deliver a Nurix Opt-Out Notice under clause (a) or (b) prior to [*] anniversary of Nurix's exercise of its Profit-Share Option. For clarity, following the Nurix Opt-Out Date with respect to all Nurix Opt-In Agreements for a Profit-Share Product, subject to this Section 11.4 (Nurix Opt-Out) and Section 13.7.2(b), each Licensed Product that prior to such Nurix Opt-Out Date was a Profit-Share Product will remain a Licensed Product and thereafter be eligible to receive the Milestone Payments achieved by such Licensed Product as further described in Section 11.4.2 (Opt-Out Date and Wind-Down), including the Sales Milestone Payments, and royalty payments for Net Sales of such Licensed Product for the remainder of the applicable Royalty Term as further described in Article 13 (Financial Terms).

1.1.2 Opt-Out Date and Wind-Down. Subject to the terms of a relevant Nurix Opt-In Agreement, if applicable, any Nurix opt-out described in Section 11.4.1 (Opt-Out Notice) shall be effective upon the expiration of the first Calendar Quarter the last day of which is at least [*] after delivery of the relevant Nurix Opt-Out Notice (such date with respect to the applicable Nurix Opt-In Agreement(s), the "**Nurix Opt-Out Date**"). During the period between receipt by Seagen of a Nurix Opt-Out Notice and the relevant Nurix Opt-Out Date (such period the "**Opt-Out Wind-Down Period**"), the Parties shall cooperate to wind-down Nurix's operational activities (if any) with respect to the applicable Profit-Share Product, as specified in further detail in the applicable Nurix Opt-In Agreement(s). Solely to the extent Nurix elected to opt-out of all

of the Nurix Opt-In Agreements with respect to a Profit-Share Product, upon the relevant Nurix Opt-Out Date (a) the terms of the applicable Nurix Opt-In Agreements (including the Profit-Share Product Agreement) shall cease to apply to such Profit-Share Product, and (b) the applicable Profit-Share Product shall no longer be a Profit-Share Product hereunder, but, subject to Section 13.7.2(b), shall remain a Licensed Product, including for the purposes of Article 13 (Financial Terms) such as for any Development and Regulatory Milestone Event that occurs following the Nurix Opt-Out Date with respect to all applicable Nurix Opt-In Agreements; *provided*, that no Milestone Event shall be deemed to have been achieved pursuant to Section 13.7.2(e), and no Milestone Payment shall be payable in respect of any Milestone Event so deemed to have been achieved, as a result of the achievement of any Milestone Event by a former Profit-Share Product that occurs following the Opt-Out Wind-Down Period with respect to all applicable Nurix Opt-In Agreements for such Profit-Share Product. For clarity, (x) no Milestone Payment in respect of a Foregone Milestone shall be owed with respect to any Milestone Event that occurs following the applicable Profit-Share Option Exercise Notice and prior to the expiration of the relevant Opt-Out Wind-Down Period for all Nurix Opt-In Agreements with respect to the applicable Profit-Share Product, irrespective of whether the applicable Milestone Events are actually achieved or are deemed to be achieved, and (y) the achievement of a Milestone Event after the end of the relevant Opt-Out Wind-Down Period by any former Profit-Share Product shall be payable in accordance with Section 13.7 (Development and Regulatory Milestones).

1.1.3 No Opt-Back-In. After the Nurix Opt-Out Date with respect to all applicable Nurix Opt-In Agreements, Seagen shall be responsible for all applicable costs and expenses associated with the Development and Commercialization of the Licensed Product and Nurix shall not have any option to buy back into any profit-share or any other rights.

## ARTICLE 12
## ASSISTANCE; TRANSITION; UPSTREAM LICENSE AGREEMENTS

1.1 **Assistance**. Subject to the costs provisions of Section 12.2 (Know-How Transfer), Nurix will, and will cause its Affiliates to, cooperate with Seagen and its designees and provide assistance to Seagen and its designees with respect to Seagen's and its designees' Research, Development, Manufacture and Commercialization of each applicable Licensed Product after the occurrence of a Degrader License Effective Date for a Collaboration Degrader Target Set, as and to the extent reasonably requested in writing by Seagen, including by: (a) providing Seagen and its designees assistance with respect to Research, Development, regulatory and Manufacturing transition matters related to such Licensed Products; and (b) providing Seagen and its designees with reasonable access by teleconference or in-person (as requested by Seagen) to Nurix personnel (and personnel of its Affiliates and Third Party contractors) involved in Research, Development, regulatory or Manufacturing matters related to such Licensed Products to assist with the transition and answer questions related to such Licensed Products.

1.2 **Know-How Transfer**. Without limiting the provisions of Section 12.1 (Assistance), as soon as reasonably practicable following the occurrence of the applicable Degrader License Effective Date, and thereafter during the Term as may be reasonably requested in writing by Seagen from time to time, Nurix will disclose to Seagen and its designees in English, including by providing hard and electronic copies thereof: all data, information, regulatory filings, assets, DNA, protein sequences, constructs, synthesis routes and cell lines, and materials included therein and any other physical embodiments thereof, in each case, relating to such Licensed Products or the Research Program, as applicable. Nurix will bear all costs of the first [*] of such assistance per Collaboration Degrader Target Set under this Agreement (including under Section 12.1 (Assistance)); thereafter, Seagen will reimburse Nurix for all reasonable costs actually incurred in connection with its assistance at the rate of [*]. At Seagen's reasonable request (which shall be no more frequently than once per Calendar Quarter), Nurix shall provide Seagen an

estimated budget for such assistance so requested by Seagen. Such assistance shall be tracked by Nurix using its standard practice and methodologies and upon reasonable written request from Seagen, Nurix shall provide Seagen with a written summary sufficient for Seagen to verify the hours of assistance or costs incurred, as applicable.

1.3 **Upstream License Agreements**. Other than with respect to Change of Control transactions (as further described in Section 20.4 (Assignment, Change of Control)), in the event that Nurix enters into a contract or agreement with a Third Party pursuant to which Nurix in-licenses or otherwise acquires any Patents, Know-How or other intellectual property rights that, but for this Section 12.3 (Upstream License Agreements), would be Controlled by Nurix and constitute Nurix IP for purposes of this Agreement (each an "**Upstream License Agreement**"), then Nurix will promptly provide Seagen with written notice and a copy of the applicable Upstream License Agreement. To the extent that such Upstream License Agreement provides an in-license of or rights to Patents, Know-How or other intellectual property that are necessary or reasonably useful to practice Nurix Background IP ("**Nurix Background In-Licensed IP**"), such Nurix Background In-Licensed IP shall automatically, upon Nurix's execution of such Upstream License Agreement, constitute Nurix IP (sub)licensed to Seagen under and in accordance with the terms of this Agreement. If such Upstream License Agreement provides an in-license of or rights to any Patents, Know-How or other intellectual property that are necessary or reasonably useful to practice Nurix Foreground IP but are not included in the Nurix Background In-Licensed IP ("**Nurix Foreground In-Licensed IP**"), then within thirty (30) days following receipt of such notice, Seagen will decide, in its sole discretion, whether or not to accept such Nurix Foreground In-Licensed IP as Nurix IP (sub)licensed to Seagen under this Agreement and provide Nurix written notice of such decision. In the event of acceptance by Seagen in accordance with the foregoing, such Nurix Foreground In-Licensed IP will constitute Nurix IP (sub)licensed to Seagen under and in accordance with the terms of this Agreement so long as Seagen complies with the terms of this Section 12.3 (Upstream License Agreements). Seagen shall pay Nurix for any payments arising in connection with any Nurix Foreground In-Licensed IP so accepted by Seagen that occur solely as a result of the activities of Seagen, its Affiliates or Sublicensees under this Agreement, such payment to be made by Seagen within [*] days following Seagen's receipt of an invoice therefor. For the avoidance of doubt, the foregoing payment obligation shall only apply to use by Seagen, its Affiliates or Sublicensees of Nurix Foreground In-Licensed IP (to the extent applicable) and Seagen shall have no payment obligations with respect to any Nurix Background In-Licensed IP (which are and shall remain the sole responsibility of Nurix). In the event that Seagen does not so accept a (sub)license under Nurix Foreground In-Licensed IP with respect to an Upstream License Agreement (including by failing to respond within the applicable thirty (30) day period), then Seagen and its Affiliates and Sublicensees will have no payment obligations with respect to such Upstream License Agreement, and such Nurix Foreground In-Licensed IP licensed to Nurix under such Upstream License Agreement shall not be Controlled by Nurix, shall not be Nurix Foreground IP, and shall not be (sub)licensed to Seagen under this Agreement. For the avoidance of doubt, this Section 12.3 (Upstream License Agreements) shall not require Nurix to enter into any Upstream License Agreement.

## ARTICLE 13
## FINANCIAL TERMS

1.1 **Upfront Consideration**. No later than [*] after the Effective Date, Seagen shall pay to Nurix a one (1) time payment of sixty million dollars ($60,000,000) in immediately available funds by wire transfer, in accordance with the Wire Instructions.

1.2 **Joint Research Term Extension Fee**. Subject to the terms and conditions herein, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, if Seagen wishes to extend the applicable Joint Research Term pursuant to Section 4.3 (Joint Research Term Extension), Seagen shall make a one (1) time payment to Nurix of [*] in

immediately available funds by wire transfer, in accordance with the Wire Instructions, for each Joint Research Term Extension pursuant to Section 4.3 (Joint Research Term Extension) (the "**Joint Research Term Extension Fee**").

1.3 **Degrader Target Set** [*] **Reservation Fee**. For each Reservation Period with respect to a given Reserved Degrader Target Set, Seagen shall pay Nurix [*]. Such payment shall be made (a) for the initial designation of the Reserved Degrader Target Set, within [*] Business Days after the designation of such Reserved Degrader Target Set, or (b) for an extension of a Reservation Period, [*] Business Days prior to the expiration of the Reservation Period for the applicable Reserved Degrader Target Set (each such payment a "**Degrader Target Set** [*] **Reservation Fee**"); *provided*, that with respect to any Reserved Degrader Target Set, if the applicable Proposed Degrader Target Set Notice or Degrader Target Set Reservation Extension Notice is delivered [*], the Degrader Target Set [*] Reservation Fee payable by Seagen shall be a prorated amount equal to [*].

1.4 **Research Milestones**. Subject to the terms and conditions herein (including this Section 13.4 (Research Milestones) and Section 13.11 (Additional Payment Terms)), and on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, Seagen shall pay the applicable amount set forth in the table below in this Section 13.4 (Research Milestones) (each a "**Research Milestone Payment**") associated with the corresponding milestone event ("**Research Milestone Event**") set forth opposite such Research Milestone Payment in the table below, in each case, once upon first achievement of the applicable Research Milestone Event with respect to a Collaboration Degrader Target Set:

| **Research Milestone Event** | **Research Milestone Payment** |
|---|---|
| (1) [*] | [*] |
| (2) [*] | [*] |
| (3) [*] | [*] |
| (4) [*] | [*] |

Notwithstanding anything to the contrary contained in this Agreement, [*].

1.5 **Degrader License Option Period Extension Fee**. Subject to the terms and conditions herein and on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, if Seagen wishes to extend the Degrader License Option Period for such Collaboration Degrader Target Set pursuant to Section 5.3 (Degrader License Option Period Extension), Seagen shall make a one (1) time payment to Nurix of [*] in immediately available funds by wire transfer, in accordance with the Wire Instructions, for each Degrader License Option Period Extension exercised by Seagen pursuant to Section 5.3 (Degrader License Option Period Extension) (each, a "**Degrader License Option Period Extension Fee**"), such payment to be made no later than [*] following delivery of the written notice described in Section 5.3 (Degrader License Option Period Extension).

1.6 **Degrader License Fee**. Subject to the terms and conditions herein and on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, in the event that

Seagen exercises a Degrader License Option with respect to such Collaboration Degrader Target Set as further described in Section 5.2 (Degrader License Option Exercise), Seagen shall pay to Nurix a one (1) time payment of [*] in immediately available funds by wire transfer, in accordance with the Wire Instructions, no later than [*] following the applicable Degrader License Effective Date (each, a "**Degrader License Fee**"). Notwithstanding the foregoing, (a) if Seagen has exercised the Degrader License Option for a Collaboration Degrader Target Set in accordance with Section 5.2 (Degrader License Option Exercise) prior to the achievement of [*] for such Collaboration Degrader Target, then [*] payment shall not be payable with respect to such Collaboration Degrader Target Set, and (b) if Seagen has paid the [*] for a Collaboration Degrader Target Set prior to the exercise of the Degrader License Option for such Collaboration Degrader Target Set, then the applicable Degrader License Fee for such Collaboration Degrader Target Set will be deemed to have been paid with respect to such Collaboration Degrader Target Set.

1.7 **Development and Regulatory Milestones**. Subject to the terms and conditions herein (including this Section 13.7 (Development and Regulatory Milestones), Section 13.11 (Additional Payment Terms) and, in the event Nurix exercises a Profit-Share Option, Section 11.2.3 (Profit-Share Products) and Section 11.2.4 (Milestone Payments Related to the Profit-Share Triggering Events), as applicable), and on a Licensed Product-by-Licensed Product basis, Seagen shall pay the applicable amount set forth in the table below in this Section 13.7 (Development and Regulatory Milestones) associated with the corresponding milestone event set forth opposite such payment in the table below, in each case, once upon first achievement (including by any Affiliate of Seagen or any Sublicensee) of the applicable Development and Regulatory Milestone Event with respect to a Licensed Product (each event described in #1-#10 in the table below, a "**Development and Regulatory Milestone Event**," and each respective payment, a "**Development and Regulatory Milestone Payment**") under this Agreement for a Licensed Product:

| **Development and Regulatory Milestone Event** | **Development and Regulatory Milestone Payment due upon first achievement of the milestone by a Licensed Product containing the applicable Licensed Degrader** |
|---|---|
| (1) [*] | [*] |
| (2) [*] | [*] |
| (3) [*] | [*] |
| (4) [*] | [*] |
| (5) [*] | [*] |
| (6) [*] | [*] |
| (7) [*] | [*] |
| (8) [*] | [*] |
| (9) [*] | [*] |
| (10) [*] | [*] |

1.1.1 [*].

1.1.2 Each Development and Regulatory Milestone Payment is payable up to a maximum of one (1) time per Licensed Product as set forth in the table above, upon first achievement of the applicable Development and Regulatory Milestone Event for such Licensed Product, regardless of the number of times the applicable Development and Regulatory Milestone Event is achieved with respect to such Licensed Product; *provided*, that:

(a) the maximum aggregate amount payable by Seagen to Nurix with respect to all Development and Regulatory Milestone Events shall be [*];

(b) if, after a Development and Regulatory Milestone Event is achieved by a Licensed Product (including a Licensed Degrader-Antibody Conjugate) that contains one (1) or more specific Licensed Degrader(s), such Development and Regulatory Milestone Event is subsequently achieved by another distinct Licensed Product (as determined in accordance with Section 13.11.1 (Determining Same vs Distinct Licensed Products or Licensed Degraders for Milestones, Royalties, and Option-Triggering Events)) that contains the same Licensed Degrader(s) (as determined in accordance with Section 13.11.1 (Determining Same vs Distinct Licensed Products or

Licensed Degraders for Milestones, Royalties, and Option-Triggering Events)), then the corresponding Development and Regulatory Milestone Payment shall be payable at an amount that is [*] of the amount listed above for such Development and Regulatory Milestone Payment. By way of example and not limitation, if a Licensed Product ("**First Licensed Product**") contains the same Licensed Degrader that is contained in another Licensed Product ("**Second Licensed Product**"), and the Second Licensed Product achieves a Development and Regulatory Milestone Event that had previously been achieved by such First Licensed Product, then the applicable Development and Regulatory Milestone Payment for such achievement by the Second Licensed Product shall be [*] described in this Section 13.7.2(b). For clarity, (x) [*] shall apply to any Second Licensed Product that (i) was a Profit-Share Product prior to the Nurix Opt-Out Date for such Second Licensed Product, and (ii) achieves a Development and Regulatory Milestone Event after the applicable Nurix Opt-Out Date, regardless of when the First Licensed Product achieved the relevant Development and Regulatory Milestone Event (including if such achievement occurred while the Second Licensed Product was a Profit-Share Product), and (y) any Development and Regulatory Milestone Event achieved by a Profit-Share Product prior to the Nurix Opt-Out Date for such Profit-Share Product shall [*] for purposes of this Section 13.7.2(b) (*i.e.*, if a Second Licensed Product achieves a Development and Regulatory Milestone Event after the achievement of such Development and Regulatory Milestone Event by a First Licensed Product that is a Profit-Share Product at the time of such achievement, the Milestone Payment for the achievement of such Development and Regulatory Milestone Event by the Second Licensed Product shall [*]);

(c) if, after a Development and Regulatory Milestone Event is achieved by a Licensed Product that contains one (1) or more specific Licensed Degrader(s), such Development and Regulatory Milestone Event is subsequently achieved by another distinct Licensed Product that contains any distinct Licensed Degrader(s), then the corresponding Development and Regulatory Milestone Payment shall be payable at [*] of the amount listed above for such Development and Regulatory Milestone Payment;

(d) with respect to Development and Regulatory Milestone Events [*], the achievement of [*] shall be deemed to include [*]; and

(e) (i) upon achievement of any of Development and Regulatory Milestone Events [*] above with respect to a Licensed Product, if the first achievement of any of Development and Regulatory Milestone Events [*] with respect to such Licensed Product has not occurred, such unachieved milestone shall simultaneously be deemed achieved and payable, and (ii) upon achievement of any of Development and Regulatory Milestone Events [*] above with respect to a Licensed Product, if the first achievement of Development and Regulatory Milestone Event [*] with respect to such Licensed Product has not occurred, such unachieved milestone shall simultaneously be deemed achieved and payable.

1.1.3 Notwithstanding the foregoing, no Development and Regulatory Milestone Payments shall be due with respect to any Unprotected Licensed Product, and [*].

1.8 **Sales-Based Milestones**. Subject to the terms and conditions herein (including this Section 13.8 (Sales-Based Milestones), Section 13.11 (Additional Payment Terms) and Section 13.11.7 (Records; Audit Rights)), on a Licensed Product-by-Licensed Product basis, Seagen will notify Nurix in writing within [*] days after the end of the Calendar Quarter during which a given milestone event described below in this Section 13.8 (Sales-Based Milestones) (each, a "**Sales Milestone Event**") was first achieved by Seagen under this Agreement, and Seagen

will thereafter pay the applicable [*] amount set forth opposite such Sales Milestone Event in the table below for such Licensed Product in accordance with Section 13.9.2 (Sales-Based Milestones) (each, a "**Sales Milestone Payment**"):

| **Sales Milestone Event (for Licensed Products other than Profit-Share Products)** | **Sales Milestone Payment (for Licensed Products other than Profit-Share Products)** |
|---|---|
| [*] | [*] |
| [*] | [*] |
| [*] | [*] |

| **Sales Milestone Event (for Profit-Share Products)** | **Sales Milestone Payment (for Profit-Share Products)** |
|---|---|
| [*] | [*] |
| [*] | [*] |
| [*] | [*] |

Each Sales Milestone Payment is payable up to a maximum of one (1) time per Licensed Product (including any Profit-Share Product, as applicable) as set forth in the table above, upon first achievement of the applicable Sales Milestone Event for such Licensed Product, regardless of the number of times the applicable Sales Milestone Event is achieved with respect to such Licensed Product. The maximum aggregate amount payable by Seagen to Nurix with respect to all Sales Milestone Events shall be [*].

Notwithstanding the foregoing, no Sales Milestone Payments shall be due with respect to any Unprotected Licensed Product.

1.9 **Invoice and Payment of Milestone Payments**.

1.1.1 Research, Development, and Regulatory Milestones.

(a) In the event that Seagen, its Affiliates or its Sublicensees under this Agreement achieves a Research Milestone Event or Development and Regulatory Milestone Event, Seagen shall notify Nurix thereof [*] after such achievement and request an invoice from Nurix for the applicable Milestone Payment, and Seagen, subject to any good faith Dispute regarding the applicable Milestone Event or Milestone Payment, shall pay such Milestone Payment [*] after receipt of such invoice.

(b) In the event that Nurix or its Affiliates achieves a Research Milestone Event, Nurix shall notify Seagen thereof in writing within [*] after such achievement and invoice Seagen for the applicable Milestone Payment, and Seagen, subject to any good faith Dispute regarding the applicable Milestone Event or Milestone Payment (including, if applicable, as to whether such Research Milestone Event has been achieved), shall pay such Milestone Payment within [*] after receipt of such invoice.

1.1.2 Sales-Based Milestones. Seagen shall notify Nurix in writing if the aggregate Annual Global Net Sales or Annual Ex-U.S. Net Sales, as applicable, of any applicable Licensed Product first achieved a Sales Milestone Event during a Calendar Quarter in the royalty report for such Calendar Quarter (or the royalty report for the first Calendar Quarter in which Seagen determines the achievement of such Sales Milestone Event, if later) as described in Section 13.10.3 (Royalty Payments and Reporting) and request an invoice from Nurix for any such Sales Milestone Payment, and Seagen shall pay to Nurix such Sales Milestone Payment within [*] after the receipt of the corresponding invoice from Nurix.

1.10 **Royalties**.

1.1.1 Royalty Rates. Seagen shall pay, on a Licensed Product-by-Licensed Product basis and for all Licensed Products other than any Unprotected Licensed Product, a royalty equal to a tiered percentage of Annual Global Net Sales of the applicable Licensed Product (or, with respect to any Profit-Share Product, of the Annual Ex-U.S. Net Sales of such Profit-Share Product) as set forth in the table below and during the Royalty Term for such Licensed Product:

| Tier | Royalty rate |
|---|---|
| (1) [*] | [*] |
| (2) [*] | [*] |
| (3) [*] | [*] |

1.1.2 Royalty Reductions.

(a) During the Royalty Term and on a Licensed Product-by-Licensed Product and country-by-country basis, if such Licensed Product is not Covered by a Valid Claim of a Royalty Patent in such country, then the royalties payable with respect to such Licensed Product pursuant to Section 13.10.1 (Royalty Rates) in such country will be reduced by [*].

(b) On a Licensed Product-by-Licensed Product and country-by-country basis, if Seagen or any of its Affiliates obtains a license under any Patent, Know-How or other intellectual property right of a Third Party after the Effective Date that are necessary or reasonably useful for Seagen to make, have made, sell, or offer for sale any Licensed Product in such country that results in any payment(s) to such Third Party as a result of such license by Seagen or its Affiliates, then Seagen may deduct from any [*] payments under this Agreement that would otherwise have been due to Nurix in a particular Calendar Quarter an amount equal to [*] of the amount of any such payments (including payments for obtaining such right or license, royalties, milestones, amounts paid in settlement and any other amounts) paid by Seagen or any of its Affiliates at arm's length to such Third Party for such license or the exercise thereof during such Calendar Quarter; *provided, however*, that, in no event shall the royalty amount due to Nurix in any Calendar Year be reduced by more than [*] of the amount that would have otherwise been due.

(c) On a Licensed Product-by-Licensed Product and country-by-country basis, if in a Calendar Quarter, any Generic/Biosimilar Product(s) of such Licensed Product is sold in such country, then the royalties payable with respect to such Licensed Product pursuant to Section 13.10.1 (Royalty Rates) in such country will be reduced by [*].

(d) Notwithstanding anything in this Section 13.10.2 (Royalty Reductions) to the contrary, in no event will royalties payable to Nurix by Seagen under this Agreement be reduced to less than [*] of the amount that would otherwise be payable to Nurix under Section 13.10 (Royalties) (the "**Floor**"); *provided*, that in the event there are royalty reduction amounts described in Section 13.10.2(b) that Seagen is unable to apply to royalty payments due to the Floor, then Seagen shall have the right to carry over such amounts and credit them in future Calendar Quarters subject to such Floor [*].

1.1.3 Royalty Payments and Reporting. Seagen will calculate all amounts payable to Nurix pursuant to Section 13.10 (Royalties) at the end of each Calendar Quarter. Within [*] days after the end of each Calendar Quarter, commencing with the Calendar Quarter during which the First Commercial Sale of a Licensed Product is made anywhere in the Territory, Seagen will provide to Nurix a report stating the amount of gross sales and Net Sales of each Licensed Product in each country of the Territory during the applicable Calendar Quarter, a summary of the type and amount of permitted deductions from gross sales to determine Net Sales as set forth in the definition of Net Sales, and a reasonably detailed calculation of the amount of royalty payments due on such Net Sales for such Calendar Quarter, in each case, reasonably sufficient to allow Nurix to assess Seagen's compliance with its royalty payment obligations hereunder. Concurrent with the provision of each such royalty report, Seagen will request an invoice from Nurix for the royalty payment shown in the royalty report, and shall, within [*] after the receipt of the corresponding invoice, pay to Nurix the royalty amounts due, less any applicable withholding tax that is required by Applicable Law in accordance with Section 13.11.6 (Taxes; Withholding), with respect to the applicable Calendar Quarter.

1.11 **Additional Payment Terms**.

1.1.1 Determining Same vs Distinct Licensed Products or Licensed Degraders for Milestones, Royalties, and Option-Triggering Events. Two (2) Licensed Products shall be deemed to be the same Licensed Product for purposes of Milestone Payments, royalties, and Profit-Share Options if both such Licensed Products may be, or would reasonably be expected to be, marketed in the United States under the same MAA (for clarity, as such MAA may be amended or supplemented from time to time). For purposes of determining whether two (2) Licensed Degraders are the same for purposes of Sections 13.7.2(b) and 13.7.2(c), two (2) Licensed Degraders shall be deemed to be the same Licensed Degrader if both such Licensed Degraders may be, or would reasonably be expected to be, marketed in the United States under the same MAA (for clarity, as such MAA may be amended or supplemented from time to time), if such Licensed Degraders were marketed as Licensed Products that did not contain a Licensed Degrader-Antibody Conjugate. For the avoidance of doubt, the same Licensed Degrader may be contained in two (2) or more different Licensed Products.

1.1.2 Currency. All payments hereunder will be made in United States dollars by wire transfer to a bank account designated in writing by Nurix in the Wire Instructions. Conversion of sales recorded in local currencies to United States dollars will be performed in a manner consistent with the Accounting Standard and Seagen's normal practices used to prepare its audited financial statements.

1.1.3 Invoices and Payments. Notwithstanding anything to the contrary contained in this Agreement or any Ancillary Agreement, each Party shall deliver an invoice, together with reasonable supporting documentation in the case of any reimbursement of costs, to the other Party's Alliance Manager and such other recipient(s) as such Party may reasonably request for all payments owed to the invoicing Party under this Agreement or any Ancillary Agreement. Except where a different timeframe is expressly provided in another Section of this Agreement or in any Ancillary Agreement, the owing Party will make all undisputed payments owed to the invoicing Party within [*] after the date on which the owing Party receives an undisputed invoice for such owed amount, and shall pay any disputed amounts owed to the invoicing Party within [*] of final resolution of the applicable Dispute.

1.1.4 Late Payments; Dispute Payments. If Nurix does not receive payment of any sum due to it under this Agreement on or before the due date therefor, simple interest shall thereafter accrue on the sum due to Nurix from the due date until the date of payment at a per-annum rate of [*] above the prime rate as reported in *The Wall Street Journal, Eastern Edition*

(or any other qualified source reasonably acceptable to both Parties) or the maximum rate allowable by Applicable Law, whichever is less. In the event of a good faith Dispute regarding any payments owing under this Agreement, all undisputed amounts will be paid promptly when due and the balance, if any, promptly after resolution of the Dispute in accordance with Section 13.11.3 (Invoices and Payments), and the interest contemplated by this Section 13.11.4 (Late Payments; Dispute Payments) shall not be payable on any disputed amount.

1.1.5 General Right to Reconcile Payments. Each Party will have the right to offset any amount owed by the other Party under or in connection with this Agreement or any Ancillary Agreement which obligation is not being contested by the other Party in good faith, against any payments owed to the other Party under this Agreement or any Ancillary Agreement. Such offsets will be in addition to any other rights or remedies available under this Agreement, any Ancillary Agreement, or Applicable Law.

1.1.6 Taxes; Withholding.

(a) *Generally*. Each Party will be liable for all taxes legally assessable against it arising from any payment received under this Agreement, including income, applicable sales or use, goods and services, value added and consumption or other similar fees or taxes ("**Taxes**").

(b) *Tax Withholding*. If Applicable Law requires the withholding of Taxes, Seagen will subtract the amount thereof from the Agreement Payments and remit such withheld amount to the relevant Governmental Authority in a timely manner. For the avoidance of doubt, Seagen's remittance of such withheld Taxes, together with payment to Nurix of the remaining Agreement Payments, will constitute Seagen's full satisfaction of Agreement Payments under this Agreement. Seagen will promptly (as available) submit to Nurix appropriate proof of payment of the withheld Taxes as well as the official receipts within a reasonable period of time. The Parties agree to cooperate with one another and use reasonable efforts to reduce or eliminate such withholding of Taxes under Applicable Law, including under the benefit of any present or future treaty against double taxation. Upon request from Seagen, Nurix shall furnish to Seagen appropriate IRS W-8 or W-9 series forms (collectively, "**U.S. Tax Forms**"). Seagen reserves the right to withhold payments due under this Agreement until the valid U.S. Tax Forms have been provided.

(c) *Tax Treatment in Profit-Share Product Agreements*. The Parties anticipate that any Profit-Share Product Agreement shall include appropriate and customary provisions regarding tax treatment applicable to such Profit-Share Product Agreement.

1.1.7 Records; Audit Rights.

(a) *Records*. Each Party (as applicable to such Party) will keep, and will cause their Affiliates and, as applicable, Sublicensees, to keep, complete, true, and accurate books and records, to the extent applicable to their respective activities under this Agreement, and, in the case of Seagen, in relation to Net Sales, royalties, Milestone Payments and any other payments required hereunder, as applicable and in accordance with its Accounting Standard. Each Party will keep such books and records for at least [*] following the Calendar Year to which they pertain or for such longer period of time as required under any Applicable Law.

(b) *Audit Rights*. Subject to the other terms of this Section 13.11.7(b) (Audit Rights), during the Term, at the request of Nurix, which will not be made more

frequently than [*], upon at least [*] prior written notice from Nurix, and at the expense of Nurix, Seagen will permit an independent, nationally-recognized certified public accountant selected by Nurix and reasonably acceptable to Seagen (the "**Auditor**") to inspect, during regular business hours, the relevant records required to be maintained by Seagen under Section 13.11.7(a) (Records); *provided*, that such audit right will not apply to records beyond [*] years from the end of the Calendar Year to which they pertain and that records for a particular period may only be audited once. Prior to its inspection, the Auditor will enter into a confidentiality agreement with both Parties having obligations of confidentiality and non-use no less restrictive than those set forth in Article 16 (Confidentiality) and limiting the disclosure and use of such information by such accountant to authorized representatives of the Parties and the purposes germane to Section 13.11.7(a) (Records). The Auditor will report to Nurix only whether the particular amount being audited was accurate and, if not, the amount of any discrepancy and a reasonable summary of the reason for such discrepancy, and the Auditor will not report any other information to Nurix. Nurix will treat the results of the Auditor's review of Seagen's records as Confidential Information of Seagen subject to the terms of Article 16 (Confidentiality). In the event such audit leads to the discovery of an underpayment by Seagen, Seagen will, within [*] after receipt of such report from the Auditor, pay Nurix the amount of such underpayment. Nurix shall pay the full cost of the audit unless the underpayment of amounts due to Nurix is either (i) greater than [*] of the amount due for the entire period being examined, or (ii) such underpayment exceeds [*], in either case (i) or (ii) Seagen shall pay the reasonable cost charged to Nurix by the Auditor for the performance of such review. Any undisputed overpayments by Seagen revealed by such an examination will be creditable by Seagen against future payments owed by Seagen to Nurix under this Agreement. Seagen will include substantially similar rights as set forth in this Section 13.11.7(b) (Audit Rights) in any sublicense agreement with its Sublicensee; *provided*, *however*, that such sublicense agreement may provide that such audit be conducted by Seagen, its Affiliate or an independent auditor designated by Seagen instead of by an independent auditor designated by Nurix.

## ARTICLE 14
## LICENSE GRANT; EXCLUSIVITY

1.1 **Research Licenses**.

1.1.1 Subject to the terms and conditions of this Agreement, and on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, Seagen hereby grants to Nurix a non-exclusive, worldwide, non-transferrable (except pursuant to Section 20.4 (Assignment; Change of Control)) and sublicensable (solely to Nurix's subcontractors in accordance with Section 14.4 (Subcontracting) and Section 14.5 (Sublicensing)) license, under Seagen IP, solely to the extent necessary for Nurix to perform the Research activities assigned to Nurix under the applicable Joint Research Plan during the applicable Joint Research Term and in accordance with such Joint Research Plan.

1.1.2 Subject to the terms and conditions of this Agreement, and on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, Nurix hereby grants to Seagen a co-exclusive, worldwide, non-transferrable (except pursuant to Section 20.4 (Assignment; Change of Control)) and sublicensable (solely to Seagen's subcontractors in accordance with Section 14.4 (Subcontracting) and Section 14.5 (Sublicensing)) license, under Nurix IP and Nurix's interest in the Joint Foreground IP, solely (a) to the extent necessary for Seagen to perform the Seagen Research activities assigned to Seagen under the applicable Joint Research Plan during the applicable Joint Research Term and in accordance with such Joint Research Plan, and (b) to otherwise perform internal research on Collaboration Degrader-Antibody Conjugates and Collaboration Degraders that are Directed To the applicable

Collaboration Degrader Target Set, during the applicable Joint Research Term and Degrader License Option Period, and subject to Section 14.7 (Negative Covenant).

1.2 **Licensed Degrader License**. Subject to the terms and conditions of this Agreement (including Article 5 (Degrader License Option)), on a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, Nurix hereby grants to Seagen an exclusive (even as to Nurix, except if and to the extent expressly provided in an applicable Nurix Opt-In Agreement (if executed)), non-transferrable (except pursuant to Section 20.4 (Assignment; Change of Control)) and sublicensable (through multiple tiers in accordance with Section 14.5 (Sublicensing)) license under the Nurix IP and Nurix's interest in the Joint Foreground IP, to research, Develop, Manufacture, Commercialize and otherwise Exploit Licensed Products that contain Licensed Degraders that are Directed To such Licensed Degrader Target Set (for clarity, or a Subset thereof) (including as part of any Licensed Degrader-Antibody Conjugates) in the Field in the Territory (such license, the "**Degrader License**"); *provided*, that Seagen will not exercise its rights under the foregoing Degrader License with respect to any Licensed Degrader Target Set until the Degrader License Effective Date for the applicable Collaboration Degrader Target Set.

1.3 **Reversion Licenses**.

1.1.1 Reversion Product License Agreement. After a Licensed Degrader Target Set becomes a Former Licensed Degrader Target Set, upon Nurix's written request to Seagen (which request shall be delivered to Seagen within [*] of such Licensed Degrader Target Set becoming a Former Licensed Degrader Target Set), Seagen shall grant to Nurix an exclusive license to Develop, Manufacture and Commercialize any applicable Reversion Product as it exists at the time the relevant Licensed Degrader Target Set becomes a Former Licensed Degrader Target Set, under the Seagen IP and Seagen's interest in Joint Foreground IP, in each case, that is necessary or reasonably useful for such Development, Manufacture and Commercialization, in the Field worldwide, pursuant to a license and transition agreement with respect to the Reversion Product in form and substance to be negotiated in good faith and mutually agreed by the Parties as promptly as practicable following the date of Nurix's request (such agreement, a "**Reversion Product License Agreement**"); *provided*, that a Reversion Product License Agreement shall not be inconsistent with the terms or conditions of, or require Seagen or its Affiliates to breach or terminate, any agreement between Seagen or its Affiliate and a Third Party related to any Seagen IP; *provided, further*, that in the event of any such inconsistency, Seagen shall use Commercially Reasonable Efforts for a reasonable period of time (not to exceed [*] unless otherwise mutually agreed in writing by the Parties) to remove any such inconsistency so that Seagen can grant to Nurix the rights and licenses contemplated by this Section 14.3.1 (Reversion Product License Agreement). In the event the Parties cannot mutually agree on the form and substance of a Reversion Product License Agreement within [*] following Nurix's request, either Party may refer the matter to resolution pursuant to Section 20.6 (Choice of Law; Dispute Resolution; Jurisdiction), and the matter shall not be deemed to be fully and finally resolved until the Parties enter into a Reversion Product License Agreement consistent with the terms of this Section 14.3.1 (Reversion Product License Agreement). Each Reversion Product License Agreement shall provide for the continuing Exploitation by Nurix of the Reversion Product worldwide following the effective date of termination on a commercially reasonable basis consistent with this Section 14.3.1 (Reversion Product License Agreement), including with respect to the wind-down or transition of any ongoing Development, Manufacturing and Commercialization activities with respect to the Reversion Product in accordance with a mutually agreed transition plan attached to the Reversion Product License Agreement. Nurix shall pay to Seagen royalties on [*] (as such term is applied *mutatis mutandis* to Nurix and its Affiliates and sublicensees) of such Reversion Product to the extent Covered by any Patent included in the Seagen IP or Joint Foreground IP, at rates to be mutually agreed and set forth in the Reversion Product License Agreement.

1.1.2 Potential Reversion Products. After a Licensed Degrader Target Set becomes a Former Licensed Degrader Target Set, upon Nurix's written request with respect to any Licensed Product other than a Reversion Product (a "**Potential Reversion Product**") (which request shall be delivered to Seagen within [*] of such Licensed Degrader Target Set becoming a Former Licensed Degrader Target Set), Seagen agrees to discuss in good faith for a period of not less than [*] the terms and conditions of an agreement (an "**Other Reversion License Agreement**") pursuant to which Seagen would grant to Nurix such rights and licenses (including under the Seagen IP, if applicable) as are necessary for Nurix to continue Exploiting the Potential Reversion Product as it exists at the time the relevant Licensed Degrader Target Set becomes a Former Licensed Degrader Target Set worldwide on a commercially reasonable basis consistent with this Section 14.3.2 (Potential Reversion Products). The terms and conditions of any such agreement must be mutually agreed in writing by the Parties, and a failure to so agree shall not be subject to binding arbitration pursuant to Section 20.6.3 (Arbitration). Neither Party shall have any obligation to enter into an Other Reversion License Agreement.

1.4 **Subcontracting**. During the Joint Research Term, each Party may subcontract the performance of tasks and other obligations hereunder to its Affiliates or Third Parties, which subcontract(s) may include a sublicense of rights necessary for the performance of the subcontract as reasonably required; *provided*, that any such Third Party will not be deemed to be a Sublicensee as a result of such sublicense and such subcontracting Party will continue to be liable for full performance of its obligations under this Agreement and will be liable for all actions of such Third Party subcontractor or Affiliate (including any Permitted Subcontractors). Notwithstanding the foregoing, Nurix may not subcontract the performance of any of its activities under a Joint Research Plan to any Third Party without Seagen's prior written consent; *provided*, that such prior written consent shall not be required for (a) a subcontract between Nurix and a Third Party service provider (such service providers, "**Permitted Subcontractors**") performing obligations of Nurix under a Joint Research Plan on a fee-for-service basis (*provided*, that each Joint Research Plan will include a list of Permitted Subcontractors, as applicable, and describe in reasonable detail the activities so subcontracted to each such Permitted Subcontractor (if any)), or (b) a subcontract between Nurix and a Third Party vendor providing Nurix with materials or supplies that enable Nurix to perform its obligations under a Joint Research Plan. Each contract between a Party or its Affiliate and a Third Party entered into pursuant to this Section 14.4 (Subcontracting) shall be in writing and consistent with the provisions of this Agreement, and include confidentiality and intellectual property provisions that allow the relevant Party to comply with its obligations hereunder as if such Party were directly performing the relevant activity under the Joint Research Plan.

1.5 **Sublicensing**. If a Party is permitted to grant a sublicense under the rights licensed to such Party under Section 14.1 (Research Licenses) or Section 14.2 (Licensed Degrader License), then such Party may grant such sublicense to Third Parties and Affiliates; *provided*, that such Party complies with the following terms for each such sublicense: (a) any such permitted sublicense shall be consistent with and subject to the terms and conditions of this Agreement; and (b) such Party will provide the other Party with written notice of such sublicense as well as a copy of such sublicense (where financial terms and other provisions that do not affect the rights and obligations of the Parties under this Agreement may be redacted) within thirty (30) days of the sublicense becoming effective; and (c) such Party will continue to be liable for full performance of its obligations under this Agreement and will be liable for all actions of such sublicensed Affiliate or Third Party, as applicable, as if such Affiliate or Third Party, as applicable, were such Party hereunder.

1.6 **Retained Rights**. Each Party retains all rights under Patents, Know-How or other intellectual property rights Controlled by such Party which are not expressly granted to the other Party pursuant to this Agreement. Except as otherwise expressly provided in this Agreement, under no circumstances will a Party or any of its Affiliates, as a result of this Agreement, obtain

any ownership interest, license or other right in or to any Patents, Know-How or other intellectual property rights of the other Party, including tangible or intangible items owned, controlled or developed by the other Party, or provided by the other Party to the receiving Party at any time, in each case, pursuant to this Agreement.

1.7 **Negative Covenant**. Notwithstanding anything to the contrary in this Agreement, Seagen shall not modify, and shall not permit any Affiliate or Sublicensee to modify, any Collaboration Degrader or Licensed Degrader other than (a) to conjugate such Collaboration Degrader or Licensed Degrader to an Antibody to make or optimize a Collaboration Degrader-Antibody Conjugate or Licensed Degrader-Antibody Conjugate or (b) as permitted under Section 4.5 (Additional Conjugation Candidates). Without limiting the foregoing sentence, Seagen shall not modify, and shall not permit any Affiliate or Sublicensee to modify, any Collaboration Degrader or Licensed Degrader to be Directed To any Degrader Target(s) other than those within the applicable Collaboration Degrader Target Set or Licensed Degrader Target Set, and shall not Research, Develop or Commercialize, or permit any Affiliate or Sublicensee to Research, Develop or Commercialize, any Licensed Degrader or Licensed Degrader-Antibody Conjugate that is Directed To any Degrader Target(s) other than those within the applicable Licensed Degrader Target Set. Without the express prior written consent of Nurix, in its sole discretion, Seagen shall not make or create, nor permit any Affiliate or Sublicensee to make or create, any Degrader-Antibody Conjugate that contains both (x) a Collaboration Degrader or a Licensed Degrader, and (y) any Degrader that is not a Collaboration Degrader or a Licensed Degrader.

1.8 **Certain Uses of Foreground IP**.

1.1.1 No Restriction on Former Degrader Targets. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall be construed to prevent or limit Nurix or its Affiliates in exercising any rights under any Nurix IP or Nurix's interest in Joint Foreground IP to research, Develop, Manufacture, Commercialize or otherwise Exploit any Degrader that is Directed To (a) any Former Collaboration Degrader Target or (b) Former Licensed Degrader Target and, in each case ((a) and (b)), not Directed To any Collaboration Degrader Target, any Licensed Degrader Target, or any Degrader Target in a Reserved Degrader Target Set.

1.1.2 Restriction on Collaboration Degrader Targets. Without limiting Section 14.9.1 (Collaboration Degrader Target Set Exclusivity), except as expressly permitted under a Reversion Product License Agreement or Other Reversion License Agreement or as required to perform Nurix's obligations under this Agreement or an Ancillary Agreement, neither Nurix nor its Affiliates shall, whether alone, with or through a Third Party, (a) use any Foreground IP (for clarity, including any Joint Foreground IP and any Nurix IP that is Foreground IP) to research, Develop, Manufacture, Commercialize or otherwise Exploit anywhere in the Territory any Degrader (or any product containing any such Degrader) that is Directed To any Collaboration Degrader Target (or any Degrader Target Set that includes any Collaboration Degrader Target), or (b) research, Develop, Manufacture, Commercialize or otherwise Exploit anywhere in the Territory any Degrader (or any product containing any such Degrader) that is (i) Directed To any Collaboration Degrader Target (or any Degrader Target Set that includes any Collaboration Degrader Target) and (ii) Covered by any Foreground IP (for clarity, including any Joint Foreground IP and any Nurix IP that is Foreground IP).

1.1.3 Restriction on Licensed Degrader Targets. Without limiting Section 14.9.3 (Licensed Degrader Target Set Exclusivity) or Section 14.9.4 ([*] Licensed Degrader Target Set Exclusivity), except as expressly permitted under a Reversion Product License Agreement or Other Reversion License Agreement or as required to perform Nurix's obligations under this Agreement or an Ancillary Agreement, neither Nurix nor its Affiliates shall, whether alone, with or through a Third Party, (a) use any Foreground IP (for clarity, including any Joint

Foreground IP and any Nurix IP that is Foreground IP) to research, Develop, Manufacture, Commercialize or otherwise Exploit anywhere in the Territory any Degrader (or any product containing any such Degrader) that is Directed To any Licensed Degrader Target (or any Degrader Target Set that includes any Licensed Degrader Target), or (b) research, Develop, Manufacture, Commercialize or otherwise Exploit anywhere in the Territory any Degrader (or any product containing any such Degrader) that is (i) Directed To any Licensed Degrader Target (or any Degrader Target Set that includes any Licensed Degrader Target) and (ii) Covered by any Foreground IP (for clarity, including any Joint Foreground IP and any Nurix IP that is Foreground IP).

1.9 **Exclusivity**.

1.1.1 Collaboration Degrader Target Set Exclusivity. Subject to Section 14.9.5 (Exceptions to Exclusivity), on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis during the applicable Exclusivity Period described in Section 1.92(a), neither Nurix nor its Affiliates will, whether alone, with or through a Third Party, research, Develop, Manufacture, Commercialize, or otherwise Exploit anywhere in the Territory any Degrader that is Directed To (a) such Collaboration Degrader Target Set or any Subset thereof, or (b) any Degrader Target Set for which a Degrader Target Set described in clause (a) is a Subset.

1.1.2 Reserved Degrader Target Set Exclusivity. Subject to Section 14.9.5 (Exceptions to Exclusivity), on a Reserved Degrader Target Set-by-Reserved Degrader Target Set basis during the applicable Exclusivity Period described in Section 1.92(d), neither Nurix nor its Affiliates will, whether alone, with or through a Third Party, research, Develop, Manufacture, Commercialize, or otherwise Exploit anywhere in the Territory any Degrader that is Directed To (a) any Reserved Degrader Target Set or any Subset thereof or (b) any Degrader Target Set for which a Degrader Target Set described in clause (a) is a Subset.

1.1.3 Licensed Degrader Target Set Exclusivity. Subject to Section 14.9.5 (Exceptions to Exclusivity), on a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis during the applicable Exclusivity Period described in Section 1.92(b), neither Nurix nor its Affiliates will, whether alone, with or through a Third Party, research, Develop, Manufacture, Commercialize, or otherwise Exploit anywhere in the Territory any Degrader that is Directed To (a) such Licensed Degrader Target Set or any Subset thereof or (b) any Degrader Target Set for which a Degrader Target Set described in clause (a) is a Subset.

1.1.4 [*] Licensed Degrader Target Set Exclusivity. Subject to Section 14.9.5 (Exceptions to Exclusivity), on an [*] Licensed Degrader Target Set-by-[*] Licensed Degrader Target Set basis during the applicable Exclusivity Period described in Section 1.92(c), neither Nurix nor its Affiliates will, whether alone, with or through a Third Party, research, Develop, Manufacture, Commercialize or otherwise Exploit anywhere in the Territory any Degrader that is (a) Pan-Directed To the [*] Licensed Degrader Target Set or (b) Pan-Directed To any Degrader Target Set for which such [*] Licensed Degrader Target Set is a Subset. For clarity, this Section 14.9.4 ([*] Licensed Degrader Target Set Exclusivity) will not prevent Nurix or its Affiliates, whether alone, with or through a Third Party, from researching, Developing, Manufacturing, Commercializing or otherwise Exploiting Degraders that are not (i) Pan-Directed To the applicable [*] Licensed Degrader Target Set or (ii) Pan-Directed To a Degrader Target Set for which such [*] Licensed Degrader Target Set is a Subset.

1.1.5 Exceptions to Exclusivity.

(a) Notwithstanding anything in this Agreement to the contrary, Nurix's performance of an assay or test for a Degrader Target Set for the purposes of screening or determining a Degrader's off-target activity shall not be considered

performing Research on any Degrader that is Directed To such Degrader Target Set and shall not be a breach of Section 14.9 (Exclusivity).

(b) At any time during the Term of this Agreement, if Seagen or its Affiliate(s) (excluding any Affiliates in any Acquiring Entity Family) obtains ownership of, or an exclusive license to Commercialize, any product containing or comprising a Degrader (other than a Licensed Degrader) that is Directed To any Licensed Degrader Target Set or any Subset of such Licensed Degrader Target Set and such product is then currently the subject of an active internal research or development program by Seagen or such Affiliates, then Seagen shall notify Nurix within [*] days after obtaining such ownership or license or initiating such research or development program (to the extent such ownership, license or research or development program results in such Degrader being subject to this clause (b)), which notice shall indicate the applicable date such Degrader became subject to this clause (b), and after the [*] day following Seagen obtaining such ownership or license, or initiating such research or development program, as applicable (and subject to the remainder of this Section 14.9.5(b)), Nurix shall no longer be subject to any exclusivity obligations with respect to such Licensed Degrader Target Set under Section 14.9.3 (Licensed Degrader Target Set Exclusivity) or Section 14.9.4 ([*] Licensed Degrader Target Set Exclusivity); *provided*, that if Nurix reasonably determines that it is no longer subject to such exclusivity obligations with respect to a Licensed Degrader Target Set pursuant to this clause (b) and Nurix has not received a written notice to that effect from Seagen hereunder, Nurix shall notify Seagen in writing of its determination; *provided, further*, that if Seagen disputes whether Nurix is subject to such exclusivity obligations pursuant to this clause (b) or the material facts set forth in Nurix's notice, and so notifies Nurix within [*] Business Days following delivery to Seagen of Nurix's written notice, Nurix shall remain subject to the applicable exclusivity obligations unless and until (i) the Parties mutually agree in writing that this clause (b) applies and Nurix is no longer subject to such exclusivity obligations under the relevant circumstances, or (ii) the conclusion of a dispute resolution process under Section 20.6 (Choice of Law; Dispute Resolution; Jurisdiction) resulting in a final determination that this clause (b) applies and Nurix is no longer subject to such exclusivity obligations under the relevant circumstances.

(c) Notwithstanding anything in Section 14.9 (Exclusivity) to the contrary, if Nurix undergoes a Change of Control, and on the date of the closing of such Change of Control, the Acquiring Entities are researching, Developing, Manufacturing or Commercializing a product that is subject to Section 14.9.1 (Collaboration Degrader Target Set Exclusivity), Section 14.9.2 (Reserved Degrader Target Set Exclusivity), Section 14.9.3 (Licensed Degrader Target Set Exclusivity) or Section 14.9.4 ([*] Licensed Degrader Target Set Exclusivity) at such time for use in the Field (such product a "**Competing Product**"), then Nurix will not be in breach of Section 14.9 (Exclusivity) as a result of such Change of Control or the continuation of such activities by such Acquiring Entities thereafter; *provided*, that Nurix, its Affiliates and such Acquiring Entities Segregate such Competing Product.

## ARTICLE 15
## INTELLECTUAL PROPERTY MATTERS

1.1 **Ownership**.

1.1.1 Background IP. As between the Parties, each Party will retain ownership (including all prosecution, maintenance, defense and enforcement rights) of all Patents, Know-How and other intellectual property rights that are existing and owned or Controlled by such Party prior to the Effective Date or are otherwise developed or obtained independently by such

Party and outside the scope of conducting the Joint Research Plans or the Research, Development, Manufacture, or Commercialization of Collaboration Degraders, Collaboration Degrader-Antibody Conjugates, or Licensed Products contemplated by this Agreement (with respect to such Party, its "**Background IP**"). For clarity, Background IP that is solely owned or Controlled by Seagen will be "**Seagen Background IP**." Background IP that is solely owned or Controlled by Nurix will be "**Nurix Background IP**."

1.1.2 Foreground IP. As between the Parties, with respect to any and all data, results, discoveries, improvements, or Inventions (whether or not patentable) conceived, made, created, or reduced to practice solely by or on behalf of either Party or jointly by the Parties during the Term of this Agreement and in the course of conducting the Joint Research Plans or the Research, Development, Manufacturing, or Commercialization of Collaboration Degraders, Collaboration Degrader-Antibody Conjugates, or Licensed Products contemplated by this Agreement (together with all intellectual property rights therein, including all Patents related thereto, the "**Foreground IP**"), any Foreground IP made, created conceived of or reduced to practice (a) solely by a Party's or any of its Affiliates' employees, independent contractors or consultants will be owned by such Party, or (b) jointly by each Party's (or any of its Affiliates') employees, independent contractors or consultants will be jointly owned by the Parties; *provided*, that notwithstanding anything to the contrary in clauses (a) or (b) above and irrespective of inventorship: (x) Seagen will solely own any and all Foreground Antibody/Conjugation IP; and (y) Nurix will solely own any and all Foreground DEL IP and Foreground Degrader IP. Subject to the terms and conditions of this Agreement, including those in Article 14 (License Grant; Exclusivity), either Party will be able to freely Exploit the Joint Foreground IP without accounting to the other Party. Foreground IP that is solely owned by Seagen under this Section 15.1.2 (Foreground IP) will be "**Seagen Foreground IP**," and Patents included in the Seagen Foreground IP will be "**Seagen Foreground Patents**." Foreground IP that is solely owned by Nurix under this Section 15.1.2 (Foreground IP) will be "**Nurix Foreground IP**," and Patents included in the Nurix Foreground IP shall be "**Nurix Foreground Patents**." Foreground IP that is jointly owned by the Parties under this Section 15.1.2 (Foreground IP) will be "**Joint Foreground IP**," and Patents included in the Joint Foreground IP will be "**Joint Foreground Patents**." All determinations of inventorship under this Agreement will be made in accordance with U.S. patent law. For clarity, ownership of Foreground IP that primarily relates to (i) attachment moieties, generally, or (ii) without limiting the definition of "Foreground DEL IP" hereunder, any process or method of attaching attachment moieties to chemical entities, generally, shall follow inventorship, as determined in accordance with this Section 15.1.2 (Foreground IP), and such Foreground IP shall not be considered Foreground DEL IP, Foreground Degrader IP or Foreground Antibody/Conjugation IP hereunder. Notwithstanding any of the rights allocated in this Section 15.1.2 (Foreground IP), Seagen Foreground IP and Joint Foreground IP will be subject to the Nurix rights and other terms and conditions set forth in Section 14.3 (Reversion Licenses).

1.1.3 Invention Assignments. Each Party shall cause all employees and contractors who perform activities for such Party or its Affiliate under this Agreement to be under an obligation to assign their rights in any Inventions, Know-How and works of authorship resulting therefrom to such Party or its Affiliate. At the written request of the Party controlling the relevant Prosecution and Maintenance, enforcement or defense activities with respect to a Patent under this Agreement in accordance with this Article 15 (Intellectual Property Matters), the other Party shall cause its employees and contractors who are inventors on any such Patent to cooperate and provide assistance to its employer or its Affiliate in relevant intellectual property-related matters, including by executing all appropriate documents, cooperating in discovery and, if legally required to continue any such enforcement activities, joining as a party to any Action or providing a power of attorney solely for such purpose.

1.2 **Prosecution and Maintenance of Foreground IP**.

1.1.1 Before Exercise of Degrader License Option.

(a) On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, during the applicable Degrader License Option Period: (i) the Parties shall, through the JPC, share jointly responsibility and the cost and expense for the Prosecution and Maintenance of any and all Joint Foreground Patents; (ii) Seagen shall control the Prosecution and Maintenance of any and all Seagen Foreground Patents at Seagen's sole cost and expense; and (iii) Nurix shall control the Prosecution and Maintenance of any and all Nurix Foreground Patents at Nurix's sole cost and expense.

(b) Notwithstanding anything to the contrary contained in Section 15.2.1(a), prior to an applicable Degrader License Effective Date the Parties shall discuss and coordinate in good faith via the JPC regarding the filing of and filing strategies for all Foreground Patents that [*]. In the event that the Parties are unable to agree on any such filing through the JPC, such matter shall be referred to the JSC for resolution pursuant to Section 10.6.2 (JSC Decisions); *provided*, that if the JSC cannot reach consensus on any such matter, the matter shall be referred to the Executive Officers for resolution in accordance with Section 10.6.2 (JSC Decisions), and if the Executive Officers do not reach agreement on such matter within thirty (30) days after such matter is first referred to the Executive Officers, neither Party may file any such Patent or Patent application prior to the applicable Degrader License Effective Date without the mutual written agreement of both Parties, and such matter shall not be subject to resolution pursuant to Sections 20.6.2 (Dispute Escalation) or 20.6.3 (Arbitration).

1.1.2 After Exercise of Degrader License Option. On a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, after the Degrader License Effective Date with respect to Seagen's exercise (if any) of the applicable Degrader License Option:

(a) Seagen shall have the sole right, at its sole cost and expense, to Prosecute and Maintain any and all Product Patents;

(b) Subject to Section 15.2.2(a), Seagen shall have the first right, at its sole cost and expense, to Prosecute and Maintain any and all Joint Foreground Patents;

(c) Subject to Section 15.2.2(a), each Party shall have the sole right, at its sole cost and expense, to Prosecute and Maintain any and all Foreground Patents that are solely owned by such Party in accordance with Section 15.1.2 (Foreground IP); *provided*, that Seagen shall have the first right (subject to the remainder of this Section 15.2.2), at its sole cost and expense, to Prosecute and Maintain any and all (i) Degrader Target Binder Patents and (ii) Nurix Foreground Patents that Cover a Licensed Degrader or a Licensed Degrader-Antibody Conjugate and that are not (A) Product Patents, or (B) Patents included in the Foreground Antibody/Conjugation IP (each Patent described in clauses (i) and (ii) of this subsection (c), a "**Seagen Prosecution Step-In Patent**"); and

*provided*, *further*, that, in each case of subsections (b) and (c) above, the non-prosecuting Party shall have the right, through the JPC, to review and comment on the Prosecution and Maintenance by the prosecuting Party of such Joint Foreground Patents or Seagen Prosecution Step-In Patents, as the case may be, and the prosecuting Party shall, and shall direct its patent counsel to, provide the non-prosecuting Party, through the JPC, with copies of all substantive filings and responses reasonably promptly upon filing with or receipt from the applicable patent office, as applicable, and in reasonably sufficient time for the non-prosecuting Party to exercise

such review and comment right, and shall consider in good faith the reasonable comments and requests of the non-prosecuting Party; *provided*, that the prosecuting Party will have no obligation to consider any comments provided by the non-prosecuting Party if the time required for consideration of such comments would result in (A) not meeting a deadline imposed by the applicable patent office or paying any extension fee(s) to extend such deadline, or (B) a loss of rights with respect to the applicable Patents; and in the event the prosecuting Party decides to abandon a Joint Foreground Patent or Seagen Prosecution Step-In Patent, as the case may be, the prosecuting Party shall notify the non-prosecuting Party, through the JPC, of any such decision, which notice shall be provided a reasonable amount of time prior to any filing or payment due date, or any other due date that requires action, in connection with such Patent to enable the non-prosecuting Party, at its sole discretion and expense, to file or to continue Prosecution and Maintenance of such Patent. In the event the non-prosecuting Party decides to file or to continue the Prosecution and Maintenance of such Patent, the initially prosecuting Party shall have no further right to Prosecute and Maintain such Patent, or to review and comment with respect thereto.

1.1.3 Cooperation Regarding Certain Prosecution and Maintenance. As between the Parties, in the event that each Party owns or Controls an invention or intellectual property rights (other than Joint Foreground IP) primarily relating to a specific attachment moiety, and the relevant Nurix invention or intellectual property rights primarily relate to such attachment moiety as attached to a Proteasome Protein Binder or Degrader Spacer, the Parties will reasonably cooperate on a case-by-case basis, through the JPC, to enable one another to Prosecute and Maintain separate Patent filings with respect to such inventions or intellectual property rights while minimizing any loss of rights to either Party (*e.g.*, coordinating the timing of filing for such filings such that neither Party's filing is prior art to the other Party's filings).

1.3 **Enforcement or Defense**.

1.1.1 Notification. Each Party will promptly notify the other Party of any infringement, misappropriation or other violation by a Third Party of any Nurix Patent, Seagen Foreground Patent, Product Patent, or Joint Foreground Patent, in the Territory of which it becomes aware, including any declaratory judgment or similar Action alleging invalidity, unenforceability or non-infringement with respect to any such Patent (collectively, "**Infringement**").

1.1.2 Right to Enforce or Defend Before Exercise of Degrader License Option. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, during the applicable Degrader License Option Period, the Parties shall, through the JPC, jointly control and bring, and shall share equally the costs and expenses related to, any enforcement or defense Action (and settlements thereof) as the JPC deems appropriate in connection with any Infringement of any Patent included in the Joint Foreground IP at a cost and expense to be equally shared between the Parties. Seagen shall control any enforcement or defense Action in connection with any Infringement of any Seagen Foreground Patent at Seagen's sole cost and expense. Nurix shall control any enforcement or defense Action in connection with any Infringement of any Nurix Foreground Patent at Nurix's sole cost and expense.

1.1.3 Right to Enforce or Defend After Exercise of Degrader License Option. On a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, after the Degrader License Effective Date with respect to Seagen's exercise (if any) of the applicable Degrader License Option:

(a) Seagen shall have the sole right, at its sole cost and expense, but not the obligation, to bring and control any enforcement or defense Action (and settlements thereof) as it deems appropriate, including in connection with any

Infringement, with respect to any and all Product Patents. Nurix will have the right to be represented in any such enforcement Action by counsel of its own choice at Nurix's sole cost and expense;

(b) Subject to Section 15.3.3(a), Seagen shall have the first right, at its sole cost and expense, to bring and control any enforcement or defense Action (and settlements thereof) as it deems appropriate, including in connection with any Infringement, with respect to any and all Patents included in the Joint Foreground IP;

(c) Subject to Section 15.3.3(a), each Party shall have the sole right, at its sole cost and expense, but not the obligation, to bring and control any enforcement or defense Action as it deems appropriate, including in connection with any Infringement, with respect to any and all Foreground Patents that are solely owned by such Party in accordance with Section 15.1.2 (Foreground IP); *provided*, that Seagen shall have the sole right, at its sole cost and expense, but not the obligation, to bring and control any enforcement or defense Action as it deems appropriate, including in connection with any Infringement, with respect to any and all Seagen Prosecution Step-In Patents; *provided*, *further*, that Nurix shall have the right to review and comment on the enforcement and defense Actions by Seagen of such Seagen Prosecution Step-In Patents, and Seagen shall, and shall direct its counsel to, provide Nurix, through the JPC, with copies of all filings and responses reasonably promptly upon filing or receipt as applicable, and in sufficient time for Nurix to exercise such review and comment right, and shall consider in good faith the reasonable comments and requests of Nurix which are timely received by Seagen; and

(d) At the request and expense of the Party that controls any Action under this Section 15.3.3 (Right to Enforce or Defend After Exercise of Degrader License Option) (the "**Enforcing Party**") the other Party (the "**Non-Enforcing Party**") will join as a party to the Action if required and provide reasonable assistance in connection with such Action, including by executing reasonably appropriate documents and cooperating in discovery. The Enforcing Party will in no event settle or otherwise compromise any legal Action by admitting that any Product Patent is invalid or unenforceable, in each case without first obtaining the prior written consent of the Non-Enforcing Party, which consent will not be unreasonably withheld, conditioned, or delayed.

1.4 **Defense of Third Party Infringement Claims**.

1.1.1 Notification. Each Party will promptly notify the other Party of any claim alleging that the Research, Development, Manufacture or Commercialization of any Collaboration Degrader, Collaboration Degrader-Antibody Conjugate, Licensed Degrader, Licensed Degrader-Antibody Conjugate, or Licensed Products in the Territory infringes, misappropriates or otherwise violates any Patents, Know-How or other intellectual property rights of any Third Party ("**Third Party Infringement Claim**").

1.1.2 Right to Defend Before Exercise of Degrader License Option. On a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, during the applicable Degrader License Option Period, the Parties shall, through the JPC, share jointly responsibility and the costs and expenses to defend, or take other Actions (including to settle), with respect to any Third Party Infringement Claim relating to any Collaboration Degrader or Collaboration Degrader-Antibody Conjugate Directed To the applicable Collaboration Degrader Target Set.

1.1.3 Right to Defend After Exercise of Degrader License Option. On a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, after the Degrader License

Effective Date with respect to Seagen's exercise (if any) of the applicable Degrader License Option, Seagen will have the sole right, at its sole cost and expense, but not the obligation, to defend, and take other Actions (including settle) with respect to any Third Party Infringement Claim relating to any Licensed Product at its sole discretion, cost and expense, and Nurix will have the right to be represented in any such Action by counsel of its own choice at Nurix's sole cost and expense provided that in no event will Seagen settle or otherwise compromise any such Third Party Infringement Claim by admitting that any Product Patent, Seagen Prosecution Step-In Patent, or Joint Foreground Patent is invalid or unenforceable, in each case, without first obtaining the prior written consent of Nurix, which consent will not be unreasonably withheld, conditioned, or delayed.

1.5 **Recovery**. Subject to the terms and conditions of an applicable Profit-Share Product Agreement (if executed):

1.1.1 Enforcement Actions. Any recovery (including any settlement) received as a result of any Action under Section 15.3 (Enforcement or Defense) will be allocated in the following order: (a) to reimburse the Enforcing Party (if the enforcement was not done jointly) for the costs and expenses (including attorneys' and professional fees) that the Enforcing Party incurred in connection with such Action, to the extent not previously reimbursed; (b) to reimburse the Non-Enforcing Party to the extent not already reimbursed, where it joins an Action as provided under Section 15.3.3(d), for the costs and expenses (including attorneys' and professional fees) that such Party incurred in connection with such Action, to the extent not previously reimbursed; and (c) any recoveries in excess of such costs and expenses shall be [*].

1.1.2 Defense Actions. Any recovery (including any settlement) received as a result of any Action under Section 15.4 (Defense of Third Party Infringement Claims) will be allocated in the following order: (a) to reimburse the defending Party (if the defense was not done jointly) for the costs and expenses (including attorneys' and professional fees) that the defending Party incurred in connection with such Action, to the extent not previously reimbursed; (b) to reimburse the non-defending Party to the extent not already reimbursed, where it joins such defense as provided under Section 15.3.3(d); and (c) any recoveries in excess of such costs and expenses shall be [*].

## ARTICLE 16
## CONFIDENTIALITY

1.1 **Nondisclosure and Non-Use**. Each Party agrees that a Party (the "**Receiving Party**") which receives the Confidential Information of the other Party (the "**Disclosing Party**") pursuant to this Agreement or any Ancillary Agreement shall: (a) maintain in confidence such Confidential Information using not less than the efforts that such Receiving Party uses to maintain in confidence its own proprietary information of similar kind and value, but in no event less than a reasonable degree of efforts; (b) not disclose such Confidential Information to any Third Party without first obtaining the prior written consent of the Disclosing Party, except for disclosures expressly permitted pursuant to this Article 16 (Confidentiality); and (c) not use such Confidential Information for any purpose except those expressly permitted under this Agreement or any Ancillary Agreement. The obligations of confidentiality, non-disclosure and non-use under this Section 16.1 (Nondisclosure and Non-Use) will be in full force and effect from the Effective Date until [*] years following the Term for any Confidential Information that is not identified by either Party as a trade secret, and for all such Confidential Information that is identified by either Party as a trade secret, in perpetuity. Upon the expiration or termination of this Agreement and at the request of the Disclosing Party, the Receiving Party will return or destroy the Confidential Information of the Disclosing Party, promptly (but in any case within [*] after the Disclosing Party's request); *provided, however*, that a Party may retain: (i) Confidential Information of the Disclosing Party as necessary to exercise rights and licenses which expressly survive such

termination or expiration pursuant to this Agreement; (ii) access to all other Confidential Information in archives solely for the purpose of establishing the contents thereof or in accordance with Applicable Law; and (iii) Confidential Information contained in any electronically stored backup files or other media created by or on behalf of such Party in accordance with its standard policies in the ordinary course of business.

1.2 **Exceptions**. Section 16.1 (Nondisclosure and Non-Use) will not apply with respect to the following information of the Disclosing Party:

(a) information that was known to the Receiving Party or any of its Affiliates, as evidenced by written records, without any obligation to the Disclosing Party to keep it confidential or restrict its use, prior to disclosure by the Disclosing Party;

(b) information that is subsequently disclosed to the Receiving Party or any of its Affiliates by a Third Party lawfully in possession thereof and without any obligation to the Disclosing Party to keep it confidential or restrict its use;

(c) information that is published by a Third Party or otherwise becomes publicly available or enters the public domain, either before or after it is disclosed to the Receiving Party, without any breach by the Receiving Party of its obligations hereunder; or

(d) information that is independently developed by or for the Receiving Party or any of its Affiliates, as evidenced by written records, without reference to or reliance upon the Disclosing Party's Confidential Information.

Any combination of features or disclosures will not be deemed to fall within the foregoing exclusions merely because individual features or disclosures are published or available to the general public or in the rightful possession of the Receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party.

1.3 **Authorized Disclosure**.

1.1.1 Disclosure. Notwithstanding Section 16.1 (Nondisclosure and Non-Use), the Receiving Party may disclose Confidential Information belonging to the Disclosing Party in the following instances:

(a) as required by and in accordance with Section 16.6 (Securities Filings; Disclosure under Applicable Law), to the U.S. Securities and Exchange Commission or any national securities exchange in any jurisdiction in the Territory (each, a "**Securities Regulator**");

(b) in response to a valid order of a court of competent jurisdiction or other Governmental Authority or Regulatory Authority or, if in the reasonable opinion of the Receiving Party's legal counsel, such disclosure is otherwise required by Applicable Law (other than to a Securities Regulator); *provided, however*, that to the extent legally permissible the Receiving Party will first give written notice to the Disclosing Party and give the Disclosing Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order or requirement be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued and redacted in accordance with the Disclosing Party's instruction; *provided, further*, that the Confidential Information disclosed in response to such court or

governmental order or Applicable Law will be limited to that information which is legally required to be disclosed in response to such court or governmental order or Applicable Law;

(c) by either Party, to the extent necessary or reasonably useful to exercise its rights to Prosecute and Maintain, enforce and defend any and all Patents for which it has such right under Article 15 (Intellectual Property Matters); *provided*, *however*, that, to the extent practicable, such Party will provide the other Party with at least [*] prior written notice of any such disclosure and take reasonable and lawful actions to avoid or minimize the degree of disclosure;

(d) by either Party, to a Regulatory Authority, as necessary or reasonably useful in connection with any filing, submission or communication with respect to any Licensed Product (or any Licensed Degrader or Licensed Degrader-Antibody Conjugate contained therein) Collaboration Degrader, Collaboration Degrader-Antibody Conjugate, or, following the execution and delivery by each Party of a Reversion Product License Agreement, Reversion Product; *provided*, *however*, that reasonable measures will be taken by such Party to obtain confidential treatment of such information, to the extent such protection is available;

(e) by Seagen, to the extent necessary or reasonably useful to research, Develop, Manufacture, Commercialize or otherwise Exploit Licensed Products (or any Licensed Degrader or Licensed Degrader-Antibody Conjugate contained therein), Collaboration Degraders, or Collaboration Degrader-Antibody Conjugates, or to otherwise exercise the rights and licenses granted to it under this Agreement, including under Article 14 (License Grant; Exclusivity);

(f) disclosure (i) to any of its officers, employees, consultants, agents or Affiliates who need to know such Confidential Information to perform on behalf of such Party under this Agreement, (ii) in the case of Seagen, to any actual or potential collaborators, partners, licensees, Sublicensees, contractors, subcontractors, agents and representatives in connection with the Research, Development, Manufacture, Commercialization or other Exploitation of Licensed Products or otherwise to the extent necessary or reasonably useful for Seagen, its Affiliates or Sublicensees to exercise its or their rights or to perform its or their obligations hereunder, (iii) in the case of either Party, to such Party's actual or *bona fide* potential acquirers, investors, or lenders on a strictly need to know basis for the sole purpose of evaluating or carrying out a *bona fide* investment in or acquisition of such Party or its Affiliate; and (iv) in the case of Nurix, [*]; *provided*, *further*, that each such recipient (under clauses (i)-(iv)) is bound by obligations of confidentiality, non-disclosure and non-use substantially equivalent to the obligations set forth in this Article 16 (Confidentiality), except for a shorter duration, if customary, to maintain the confidentiality thereof and not to use such Confidential Information except as expressly permitted by customary terms thereunder; and

(g) disclosure to its advisors (including attorneys, financial advisors and accountants); *provided*, *however*, that each such recipient is bound by obligations of confidentiality, non-disclosure and non-use substantially equivalent to the obligations set forth in this Article 16 (Confidentiality) except for a shorter duration, if customary (*provided*, *however*, that in the case of advisors bound by professional obligations of confidentiality and non-use, no agreement will be required), to maintain the confidentiality thereof and not to use such Confidential Information except as expressly permitted;

*provided*, *however*, that, in each of the above situations in this Section 16.3.1 (Disclosure), the Receiving Party will remain responsible for any failure by any Person who receives Confidential Information from such Receiving Party pursuant to this Section 16.3.1 (Disclosure) to treat such Confidential Information as required under this Article 16 (Confidentiality).

1.1.2 Terms of Disclosure. If and whenever any Confidential Information is disclosed in accordance with this Section 16.3 (Authorized Disclosure), such disclosure will not cause any such information to cease to be Confidential Information, except to the extent that such disclosure results in a public disclosure of such information other than by breach of this Agreement or any Ancillary Agreement.

1.4 **Residual Knowledge**. Notwithstanding anything to the contrary contained in this Agreement or any Ancillary Agreement and subject to Section 14.9 (Exclusivity), nothing shall restrict any Party from using Residual Knowledge for any purpose; *provided*, that neither Party will specifically disclose any Residual Knowledge to any Third Party.

1.5 **Terms of this Agreement**. The Parties agree that this Agreement and the Ancillary Agreements and the terms hereof will be deemed to be Confidential Information of both Nurix and Seagen, and each Party agrees not to disclose this Agreement or any Ancillary Agreement or any terms hereof or thereof without obtaining the prior written consent of the other Party; *provided*, that each Party may disclose this Agreement or any terms hereof in accordance with the provisions of Section 16.3 (Authorized Disclosure), or Section 16.6 (Securities Filings; Disclosure under Applicable Law), as applicable.

1.6 **Securities Filings; Disclosure under Applicable Law**. Each Party acknowledges and agrees that the other Party may submit this Agreement to, or file this Agreement with, the Securities Regulators or to other Persons as may be required by Applicable Law, and if a Party submits this Agreement to, or files this Agreement with, any Securities Regulator or other Person as may be required by Applicable Law, such Party agrees to consult with the other Party with respect to the preparation and submission of a confidential treatment request for this Agreement and shall incorporate reasonable comments from the other Party to the extent legally permissible. Notwithstanding the foregoing, if a Party is required by any Securities Regulator or other Person as may be required by Applicable Law to make a disclosure of the terms of this Agreement in a filing or other submission as required by such Securities Regulator or such other Person, and such Party has: (a) provided copies of the disclosure to the other Party reasonably in advance under the circumstances of such filing or other disclosure; (b) promptly notified the other Party in writing of such requirement and any respective timing constraints; and (c) given the other Party reasonable time under the circumstances from the date of provision of copies of such disclosure to comment upon and request confidential treatment for such disclosure, then such Party will have the right to make such disclosure at the time and in the manner reasonably determined by its counsel to be required by the Securities Regulator or the other Person. Notwithstanding the foregoing, if a Party seeks to make a disclosure as required by a Securities Regulator or other Person as may be required by Applicable Law as set forth in this Section 16.6 (Securities Filings; Disclosure under Applicable Law) and the other Party provides comments in accordance with this Section 16.6 (Securities Filings; Disclosure under Applicable Law), the Party seeking to make such disclosure or its counsel, as the case may be, will use good faith efforts to incorporate such comments.

1.7 **Publicity**.

1.1.1 Press Release. Nurix will have the right to issue a press release in the form set forth in Schedule 16.7.1, which Nurix shall issue within five (5) Business Days after the Effective Date.

1.1.2 Nurix Rights. Nurix will have the right to issue any press release or other public statement disclosing each exercise of a Degrader License Option and the payment of each Milestone Payment or Sales Milestone Payment; *provided*, that Nurix must first obtain the prior written consent of Seagen (which shall not be unreasonably withheld, conditioned or delayed); *provided*, *however*, that any such press release or other public statement does not include the Confidential Information of Seagen. Except as permitted under this Section 16.7 (Publicity) or Article 16 (Confidentiality), Nurix will not make any other press release or other public statement disclosing this Agreement or the activities hereunder without Seagen's prior written consent. The contents of any press release or other public statement that has been reviewed and approved by Seagen may be re-released by Nurix in exactly the same language as previously approved by Seagen without first obtaining Seagen's prior written consent in accordance with this Section 16.7 (Publicity).

1.8 **Publications**. Before the Degrader License Effective Date for any Collaboration Degrader Target Set, neither Party will publish, publicly present or otherwise publicly disclose any paper, publication, oral presentation, abstract, poster, manuscript or other presentation relating to any activity or other matter under this Agreement (each, a "**Publication**") relating to the applicable Collaboration Degrader Target Set, without the other Party's prior written consent. Following the applicable Degrader License Effective Date, Seagen shall be responsible for and control all Publications relating to the applicable Licensed Degrader Target Set and solely to the extent permitted by the prior written consent of Seagen, Nurix shall have the right to make and disclose any such permitted Publications. To the extent a Party has a right pursuant to this Section 16.8 (Publications) to make a Publication, then the publishing Party (the "**Publishing Party**") shall provide the other Party (a "**Reviewing Party**") an opportunity to review such Publication to determine whether such Publication contains the Confidential Information of the Reviewing Party. The Publishing Party will deliver to the Reviewing Party a copy of any such proposed Publication or an outline of the proposed oral disclosure, together with any slides or other materials to be provided in connection with such oral disclosure (if any), at least [*] days prior to submission for publication or presentation for review by the Reviewing Party. The Reviewing Party will have the right, in its sole discretion, to: (a) require the removal of its Confidential Information from any such Publication by the Publishing Party or (b) request a reasonable delay in publication or presentation in order to protect patentable information. If the Reviewing Party requests such a delay, the Publishing Party will delay submission or presentation for a period of [*] days after its provision of the copy of the proposed Publication to enable patent applications protecting the Reviewing Party's rights in such information.

1.9 **Use of Names**. Except as otherwise expressly set forth herein, neither Party (or any of its respective Affiliates) will use any corporate name, trademark, trade name or logo of the other Party or any of its Affiliates, or its or their respective employees, in any publicity, promotion, news release or other public disclosure relating to this Agreement or its subject matter, without first obtaining the prior written consent of the other Party; *provided*, *however*, that such consent will not be required (a) to the extent use thereof may be required by Applicable Law, including the rules of any securities exchange or market on which a Party's or its Affiliate's securities are listed or traded, and (b) for use of the other Party's name and company logo, in accordance with written specifications and standards to be provided by the other Party, solely to identify the other Party as a collaborator on such Party's website and in public presentations. If Seagen at any time determines that the use of Seagen's name and company logo for such purpose does not comply with such specifications and standards provided by Seagen and so notifies Nurix, then Nurix shall cease using Seagen's name and company logo in such unapproved manner as soon as reasonably possible. Each Party shall retain all rights, title and interests in and to all such corporate names, trademarks, trade names and logos of such Party and its Affiliates.

1.10 **Clinical Trials Registry**. For clarity, Seagen, its Affiliates and its designees will have the right to publish registry information and summaries of data and results from any Clinical

Trials conducted in connection with Licensed Products, on its Clinical Trials registry or on a government-sponsored database, such as www.clinicaltrials.gov, without first obtaining the prior consent of Nurix. The Parties will reasonably cooperate if required or reasonably requested in writing by Seagen in order to facilitate any such publication by Seagen, any of its Affiliates or any of its designees.

## ARTICLE 17
## REPRESENTATIONS AND WARRANTIES; CLOSING CONDITIONS; COVENANTS

1.1 **Representations and Warranties of Each Party**. Each Party hereby represents and warrants to the other Party, as of Effective Date, that:

(a) such Party is duly organized, validly existing and in good standing under the Applicable Law of the jurisdiction of its formation and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including the full right to grant the licenses and sublicenses granted by it hereunder;

(b) such Party has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder, and has taken all necessary corporate action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;

(c) this Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforcement of the rights and remedies created hereby is subject to: (a) bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors; or (b) laws governing specific performance, injunctive relief and other equitable remedies;

(d) the execution, delivery and performance of this Agreement by such Party does not breach, violate, or conflict with any agreement or any provision thereof (including any confidentiality or non-competition obligation, any exclusivity obligation, or any provisions with respect to the ownership, prosecution and enforcement of intellectual property rights), or any instrument or understanding, oral or written, to which such Party (or any of its Affiliates) is a party or by which such Party (or any of its Affiliates) is bound, nor violate any Applicable Law of any Governmental Authority having jurisdiction over such Party (or any of its Affiliates);

(e) no government authorization, consent, approval, license, exemption of or filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, under any Applicable Law currently in effect, is or will be necessary for, or in connection with, any of the transactions contemplated by this Agreement, or for the performance by it of its obligations under this Agreement, except as may be required to conduct Clinical Trials or to seek or obtain Regulatory Approvals or applicable Regulatory Materials, or to Manufacture or Commercialize any Licensed Product(s);

(f) it has obtained all necessary authorizations, consents and approvals of any Third Party that is required to be obtained by it for, or in connection with, any of the transactions contemplated by this Agreement, or for the performance by it of its obligations under this Agreement, except as may be required to conduct Clinical Trials or

to seek or obtain Regulatory Approvals or applicable Regulatory Materials, or to Manufacture or Commercialize any Licensed Product(s); and

(g) Neither it nor any of its Affiliates (i) has been debarred or is subject to debarment pursuant to Section 306 of the FFDCA or analogous provisions of Applicable Law outside the United States or listed on any excluded list; (ii) has used in any capacity, in connection with the activities to be performed under this Agreement, any individual or entity that has been debarred pursuant to Section 306 of the FFDCA or analogous provisions of Applicable Law outside the United States, or that is the subject of a conviction described in such Section or analogous provisions of Applicable Law outside the United States; (iii) has been listed by any Governmental Authority as ineligible to participate in any government healthcare program or government procurement or non-procurement program, or is excluded, debarred, or suspended from participating in any such program; or (iv) has been convicted of a criminal offense related to the provision of healthcare items or services. Each Party agrees to inform the other Party in writing promptly if such Party or any individual or entity performing activities under this Agreement on behalf of such Party becomes subject to any of the foregoing.

1.2 **Representations and Warranties of Nurix**. Nurix hereby represents and warrants to Seagen as of the Effective Date that:

(a) Schedule 17.2(a) sets forth a complete and accurate list of all the Nurix Patents existing as of the Effective Date that are (i) necessary or reasonably useful for the Joint Research Plans for the Initial Degrader Target Sets or (ii) necessary or reasonably useful to Research, Develop, Manufacture, Commercialize or otherwise Exploit Licensed Products that contain any Collaboration Degrader Directed To the Initial Degrader Target Sets (including as part of any Licensed Degrader-Antibody Conjugates) in the Field in the Territory.

(b) Nurix is the sole and exclusive owner of the Nurix IP free and clear of all liens and encumbrances that would adversely affect the rights to Seagen hereunder in any material respect. Nurix has the full right and authority to grant all of the rights and licenses granted to Seagen hereunder, and neither Nurix nor its Affiliates have granted any right or license, or committed to grant any right or license, to any Third Party relating to any of the Nurix IP in a manner that would conflict with or limit the scope of any of the options, rights or licenses granted to Seagen hereunder.

(c) Nurix has complied in all respects with all Applicable Law with respect to the Prosecution and Maintenance of the Nurix Patents. No dispute regarding inventorship or ownership has been alleged or threatened with respect to any Nurix Patents. There is no pending or threatened adverse Action (including any interference, *inter partes* review, post-grant review, re-examination, opposition, or inventorship or ownership challenge, in each case, in or before any patent office or other Governmental Authority) against Nurix in relation to any Nurix Patents. All Nurix Patents are: (i) subsisting and, to Nurix's knowledge, not invalid or unenforceable, in whole or in part, (ii) in the case of pending applications, being diligently prosecuted in the respective patent offices in accordance with Applicable Law and Nurix has presented all relevant references, documents and information of which it and the inventors are aware to the relevant patent examiner at the relevant patent office and (iii) Prosecuted and Maintained properly and correctly (including by identifying every inventor of the claims thereof as determined in accordance with the laws of the jurisdiction in which such Patent is issued or pending) and all applicable fees have been paid by the due date for payment.

(d) Nurix has not misappropriated any Know-How of a Third Party or, to Nurix's knowledge, infringed any Patents of a Third Party in connection with developing the Nurix IP. Neither Nurix nor its Affiliates have received any written notice or to Nurix's knowledge, any threat of any claim or litigation that any Patent or Know-How (including any trade secret right) Controlled by a Third Party would be infringed, misappropriated or otherwise violated by the performance of the activities hereunder or by the Development, Manufacture, Commercialization or Exploitation of the Licensed Products in accordance with this Agreement. Neither (i) the Nurix Materials supplied by Nurix to Seagen hereunder, nor (ii) the use and practice of the Nurix IP as contemplated hereunder would misappropriate or, to Nurix's knowledge, infringe any intellectual property rights of any Third Party. To Nurix's knowledge, there are no activities by Third Parties within the Territory that would constitute misappropriation of Nurix Know-How or infringement of Nurix Patents. Neither Nurix nor its Affiliates have received any written notice or to Nurix's knowledge, any threat, of a claim or litigation made by any Person against Nurix or its Affiliates that alleges that any Nurix Patent is invalid or unenforceable.

(e) Nurix and its Affiliates have obtained from all individuals who participated in any respect in the invention or authorship of any Nurix IP effective written assignments of all ownership rights of such individuals in such Nurix IP, as applicable. To Nurix's knowledge, no Person who claims to be an inventor of an invention claimed in a Nurix Patent is not identified as an inventor of such invention in the filed patent documents for such Nurix Patent.

(f) The inventions claimed or covered by the Nurix Patents (i) were not conceived, discovered, developed or otherwise made in connection with any research activities funded, in whole or in part, by the federal government of the United States (or any agency thereof) or the government of any other country; (ii) are not a "subject invention" as that term is described in 35 U.S.C. §201(e); (iii) are not otherwise subject to the provisions of the Patent and Trademark Law Amendments Act of 1980, as amended, codified at 35 U.S.C. §§200-212, as amended, or any regulations promulgated pursuant thereto, including in 37 C.F.R. Part 401; and (iv) are not the subject of any licenses, options or other rights of any Governmental Authority, within or outside the United States; in the case of clauses (ii) or (iii), or similar obligations or restrictions under the Applicable Law of any other country.

(g) There are no exclusivity provisions or any other restrictions in any agreement between Nurix or its Affiliates, on the one hand, and any Third Party, on the other hand, that would limit (i) Nurix's ability to (A) perform its obligations under this Agreement, or (B) grant such rights and licenses as granted under this Agreement to Seagen, or (ii) to Nurix's knowledge, Seagen's ability to Research, Develop, Manufacture, Commercialize or otherwise Exploit the Licensed Products as contemplated by this Agreement. Neither Nurix nor any of its Affiliates are delinquent in any payment obligations to any Third Party, or engaged in any dispute with any Third Party, that would limit (x) Nurix's ability to (A) perform its obligations under this Agreement, or (B) grant such rights and licenses as granted under this Agreement to Seagen or (y) to Nurix's knowledge, Seagen's ability to Research, Develop, Manufacture, Commercialize or otherwise Exploit the Licensed Products as contemplated by this Agreement.

(h) There are no claims, judgments, settlements, litigations, suits, actions, disputes, arbitration, judicial, or legal, administrative or other proceedings, or governmental investigations pending or, to the knowledge of Nurix, threatened against Nurix or its Affiliates which could reasonably be expected to adversely affect or restrict

the ability of Nurix to consummate or perform the transactions contemplated under this Agreement.

1.3 **Representations and Warranties of Seagen**. Seagen hereby represents and warrants to Nurix, as of the Effective Date, that:

(a) Neither (i) the Seagen Materials supplied by Seagen to Nurix hereunder, nor (ii) the use and practice of the Seagen IP as contemplated hereunder would, to Seagen's knowledge, misappropriate or infringe any intellectual property rights of any Third Party.

(b) There are no claims, judgments, settlements, litigations, suits, actions, disputes, arbitration, judicial, or legal, administrative, or other proceedings or governmental investigations pending or, to the actual knowledge of Seagen, threatened against Seagen which would reasonably be expected to adversely affect or restrict the ability of Seagen to consummate or perform the transaction contemplated under this Agreement.

1.4 **Covenants**. Each Party hereby covenants to the other Party that during the Term: (a) such Party and its Affiliates will perform its activities pursuant to this Agreement in compliance (and will ensure compliance by any of its subcontractors) with all Applicable Law, including, to the extent applicable, FCPA, GCP, GLP and GMP and in accordance with good scientific, clinical and manufacturing practices and applicable industry ethical codes; (b) will not employ, or otherwise use in any capacity, the services of any Person suspended, proposed for debarment or debarred under United States law, including under 21 U.S.C. § 335a, or any foreign equivalent thereof, with respect to the performance of activities hereunder; (c) such Party will not enter into any agreement, contract, commitment or other arrangement that could reasonably be expected to conflict with the rights granted to the other Party hereunder or otherwise prevent the other Party from exercising the rights granted to it hereunder; (d) such Party will not misappropriate any trade secret of a Third Party in connection with the performance of its activities hereunder; and (e) such Party will maintain all permits, licenses, registrations and other forms of authorizations and approvals from any Governmental Authority, necessary or required to be obtained or maintained by such Party in order for such Party to execute and deliver this Agreement and to perform its obligations hereunder and thereunder in a manner which complies with all Applicable Law.

1.5 **Disclaimer**. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED (AND EACH PARTY HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES NOT EXPRESSLY PROVIDED IN THIS AGREEMENT), INCLUDING WITH RESPECT TO ANY PATENTS OR KNOW-HOW, INCLUDING WARRANTIES OF VALIDITY OR ENFORCEABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, PERFORMANCE AND NON-INFRINGEMENT OF ANY THIRD PARTY PATENT OR OTHER INTELLECTUAL PROPERTY RIGHT. WITHOUT LIMITING THE FOREGOING, THE PARTIES AGREE THAT THE MILESTONE EVENTS AND NET SALES LEVELS SET FORTH IN THIS AGREEMENT OR THAT HAVE OTHERWISE BEEN DISCUSSED BY THE PARTIES ARE MERELY INTENDED TO DEFINE THE MILESTONE PAYMENTS AND ROYALTY OBLIGATIONS IF SUCH MILESTONE EVENTS OR NET SALES LEVELS ARE ACHIEVED. NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, THAT IT WILL BE ABLE TO SUCCESSFULLY ADVANCE ANY DEGRADER PRODUCT OR DEVELOP, ACHIEVE REGULATORY APPROVAL FOR, MANUFACTURE OR COMMERCIALIZE ANY

LICENSED PRODUCT OR, IF COMMERCIALIZED, THAT ANY PARTICULAR SALES LEVEL OR PROFIT OF SUCH LICENSED PRODUCT WILL BE ACHIEVED.

## ARTICLE 18
## INDEMNIFICATION; INSURANCE

1.1 **Indemnification**.

1.1.1 Indemnification by Seagen. Seagen will indemnify, defend and hold harmless Nurix, its Affiliates and its and their respective directors, officers, employees, agents, successors and assigns (each, a "**Nurix Indemnitee**") from and against any and all Damages to the extent arising out of or relating to, directly or indirectly, any Third Party Claim based upon:

(a) any Research activities conducted by Seagen or its Affiliates or contractors under this Agreement;

(b) the Development, Manufacture or Commercialization of Licensed Products in the Field in the Territory by Seagen, its Affiliates or its Sublicensees (*provided*, that in the event Nurix exercises its Profit-Share Option and the Parties enter into a Profit-Share Product Agreement with respect to a Profit-Share Product, the relevant Profit-Share Product Agreement will control with respect to any Third Party Claim based on the Development, Manufacture or Commercialization of Profit-Share Products);

(c) the gross negligence or willful misconduct of Seagen or its Affiliates or its or their respective directors, officers, employees or agents, in connection with Seagen's performance of its obligations under this Agreement or any Ancillary Agreement; or

(d) any breach by Seagen of any of its representations, warranties, covenants, agreements or obligations under this Agreement or any Ancillary Agreement;

*provided*, *however*, that in each case ((a)-(d)), such indemnity will not apply to the extent Nurix has an indemnification obligation pursuant to Section 18.1.2 (Indemnification by Nurix) for such Damages.

1.1.2 Indemnification by Nurix. Nurix will indemnify, defend and hold harmless Seagen, its Affiliates and its and their respective directors, officers, employees, agents, successors, assigns and Sublicensees (each, a "**Seagen Indemnitee**"), from and against any and all Damages to the extent arising out of or relating to, directly or indirectly, any Third Party Claim based upon:

(a) any Research activities conducted by Nurix or its Affiliates or contractors under this Agreement;

(b) the gross negligence or willful misconduct of Nurix or its Affiliates or its or their respective directors, officers, employees or agents, in connection with Nurix's performance of its obligations under this Agreement or any Ancillary Agreement; or

(c) any breach by Nurix of any of its representations, warranties, covenants, agreements or obligations under this Agreement or any Ancillary Agreement;

*provided*, *however*, that in each case ((a)-(c)), such indemnity will not apply to the extent Seagen has an indemnification obligation pursuant to Section 18.1.1 (Indemnification by Seagen) for such Damages.

1.2 **Indemnification Procedure**.

1.1.1 Indemnification Notice. If a Nurix Indemnitee or Seagen Indemnitee is seeking indemnification under Section 18.1.1 (Indemnification by Seagen) or Section 18.1.2 (Indemnification by Nurix), as applicable (the "**Indemnitee**"), Nurix or Seagen, as applicable, will inform the other Party (the "**Indemnitor**") of the claim giving rise to the obligation to indemnify pursuant to Section 18.1.1 (Indemnification by Seagen) or Section 18.1.2 (Indemnification by Nurix), as applicable, as soon as reasonably practicable after receiving notice of the claim (an "**Indemnification Claim Notice**"); *provided*, *however*, that any delay or failure to provide such notice will not constitute a waiver or release of, or otherwise limit, the Indemnitor's obligation to indemnify under Section 18.1.1 (Indemnification by Seagen) or Section 18.1.2 (Indemnification by Nurix), as applicable, except to the extent that such delay or failure materially prejudices the Indemnitor's ability to defend against the relevant claims.

1.1.2 Control of Defense. The Indemnitor will have the right, upon written notice given to the Indemnitee and the non-indemnifying Party within [*] days after receipt of the Indemnification Claim Notice, to assume the defense of any such claim for which the Indemnitee is seeking indemnification pursuant to Section 18.1.1 (Indemnification by Seagen) or Section 18.1.2 (Indemnification by Nurix), as applicable. The non-indemnifying Party will cause the Indemnitee to cooperate with the Indemnitor and the Indemnitor's insurer as the Indemnitor may reasonably request, and at the Indemnitor's cost and expense. The Indemnitee will have the right to participate, at its own expense and with counsel of its choice, in the defense of any claim or suit that has been assumed by the Indemnitor.

1.1.3 Settlements; No Presumption of Liability. The Indemnitor will not settle any claim without first obtaining the prior written consent of the non-indemnifying Party, not to be unreasonably withheld, conditioned or delayed; *provided*, that the Indemnitor shall have the right to settle claims that are exclusively for money damages without such prior written consent so long as the settlement does not impose any liability or admit any fault on behalf of the Indemnitee. The assumption of the defense of a claim by the Indemnitor will not be construed as an acknowledgment that the Indemnitor is liable to indemnify the Indemnitee in respect of the claim, nor will it constitute a waiver by the Indemnitor of any defenses it may assert against the Indemnitee's claim for indemnification. In the event that it is ultimately determined that the Indemnitor is not obligated to indemnify, defend or hold harmless the Indemnitee from and against the claim, the non-indemnifying Party will reimburse the Indemnitor for any and all costs and expenses (including attorneys' fees and costs of suit) and any Damages incurred by the Indemnitor in its defense of the claim.

1.1.4 Separate Defenses; Cooperation. If the Parties cannot agree as to the application of Section 18.1.1 (Indemnification by Seagen) or Section 18.1.2 (Indemnification by Nurix), as applicable, to any claim, pending the resolution of the Dispute pursuant to Section 20.6 (Choice of Law; Dispute Resolution; Jurisdiction), the Parties may conduct separate defenses of such claims, with each Party retaining the right to claim indemnification from the other Party in accordance with Section 18.1.1 (Indemnification by Seagen) or Section 18.1.2 (Indemnification by Nurix), as applicable, upon resolution of the underlying claim. In each case, the non-indemnifying Party will cause each applicable Indemnitee to reasonably cooperate with the Indemnitor and make available to the Indemnitor all pertinent information under the control of the Indemnitee, which information will be subject to Article 16 (Confidentiality).

1.3 **Insurance**. During the Term and for a period of [*] years thereafter, each Party will have and maintain in full force and effect, at its own expense, insurance coverage (with a Third Party insurance company with a current AM Best rating of A- or equivalent or higher, or through a commercially reasonable program of self-insurance) to include:

(a) Commercial general liability insurance (including product liability coverage and completed operations liability coverage and covering bodily injury and property damage) with limits of liability not less than [*] per occurrence and [*] in the aggregate;

(b) Statutory workers' compensation insurance in compliance with Applicable Law (including the local law requirements of the state or jurisdiction in which the work is to be performed);

(c) Employer's liability insurance with limits of liability not less than [*] per occurrence and [*] in the aggregate; and

(d) Umbrella/excess liability insurance providing additional limits above the commercial general liability insurance policy with limits of liability not less than [*] per occurrence and [*] in the aggregate.

For the avoidance of doubt, none of the coverage under this section shall serve to limit or expand the Parties' indemnification obligations or other liability under this Agreement. As reasonably requested by the other Party (such request not more than once per Calendar Year), and to the extent applicable, a Party shall furnish one (1) or more certificates of insurance evidencing that the coverage required by this Section 18.3 (Insurance) is in full force and effect in compliance with the provisions of this Section 18.3 (Insurance). Each such certificate shall state the relevant policy number(s), date(s) of expiration and required limits of coverage.

1.4 **Limitation of Liability**. NEITHER NURIX NOR SEAGEN, NOR ANY OF THEIR RESPECTIVE AFFILIATES, WILL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY ANCILLARY AGREEMENT FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES), WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT PRODUCT LIABILITY), INDEMNITY, CONTRIBUTION OR OTHERWISE, AND IRRESPECTIVE OF WHETHER THAT PARTY OR ANY REPRESENTATIVE OF THAT PARTY HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF, ANY SUCH LOSS OR DAMAGE. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 18.4 (LIMITATION OF LIABILITY) IS INTENDED TO OR WILL LIMIT OR RESTRICT: (A) THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTION 18.1.1 (INDEMNIFICATION BY SEAGEN) OR SECTION 18.1.2 (INDEMNIFICATION BY NURIX), AS APPLICABLE, IN CONNECTION WITH A CLAIM FOR SUCH LOSSES OR DAMAGES BY A THIRD PARTY; (B) THE LIABILITY OF A PARTY FOR BREACH OF ITS EXCLUSIVITY OBLIGATIONS UNDER SECTION 14.9 (EXCLUSIVITY); (C) DAMAGES AVAILABLE FOR A PARTY'S GROSS NEGLIGENCE, INTENTIONAL MISCONDUCT OR FRAUD; OR (D) LIABILITY OF EITHER PARTY FOR BREACH OF ARTICLE 16 (CONFIDENTIALITY).

## ARTICLE 19
## TERM AND TERMINATION

1.1 **Term; Expiration**. The term of this Agreement (the "**Term**") will begin on the Effective Date and expire upon the first to occur of (a) the expiration of the last-to-expire Degrader License Option Period under this Agreement if no Degrader License Option has been exercised prior to such expiration, or (b) the expiration of the last-to-expire Royalty Term under this Agreement (or as otherwise provided in a relevant Nurix Opt-In Agreement, if applicable), in each case, unless earlier terminated in accordance with this Article 19 (Term and Termination). For clarity, if a Degrader License Option is exercised in accordance with this Agreement, the Term shall continue following such exercise until the commencement and expiration of all applicable Royalty Terms, subject to the foregoing clause (b), regardless of whether any Royalty Term has commenced or is ongoing as of the date of such exercise or any determination of the Term hereunder.

1.2 **Termination**.

1.1.1 Termination for Material Breach.

(a) *Material Breach*. This Agreement may be terminated (i) in its entirety for a material breach by the other Party that (A) fundamentally frustrates the value and essential purpose of the transactions contemplated by this Agreement and (B) affects this Agreement in its entirety, or (ii) in part, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis or a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis, as applicable, for a material breach by the other Party with respect to and affecting such Collaboration Degrader Target Set or Licensed Degrader Target Set, as applicable, in each case ((i) and (ii)), upon written notice to the breaching Party if the breaching Party has not cured such material breach within [*] if for breach of a payment obligation under this Agreement or [*] for all other breaches, in each case, after the date of written notice to the breaching Party of such breach (which notice will describe such material breach in reasonable detail and will state the non-breaching Party's intention to terminate this Agreement, in its entirety or in part) (such [*] or [*] period, as applicable, the "**Cure Period**").

(b) *Disagreement as to Material Breach*. Notwithstanding Section 19.2.1(a) (Material Breach), if the Parties in good faith disagree as to whether there has been a material breach of this Agreement or a cure of any such breach, then: (i) the Party that disputes whether there has been a material breach or cure may contest the allegation by referring such matter, within the applicable Cure Period in the event of a Dispute regarding whether there has been a material breach or within [*] following the expiration of the appliable Cure Period in the event of a Dispute regarding whether there has been a cure of any such breach, for resolution in accordance with Section 20.6 (Choice of Law; Dispute Resolution; Jurisdiction); (ii) if a Party disputes such material breach or cure as described in clause (i) above, then the relevant Cure Period and the Parties' rights to terminate this Agreement will be tolled from the date on which the Party that disputes the existence of such material breach or cure notifies the other Party of such Dispute through final resolution of such Dispute in accordance with Section 20.6 (Choice of Law; Dispute Resolution; Jurisdiction) (or, if earlier, until abandonment of the Dispute by the disputing Party); and (iii) subject to the foregoing (including tolling of the Parties' rights to terminate this Agreement) and Section 19.4 (Surviving Provisions), during the pendency of such Dispute, all other terms and conditions of this Agreement and the Ancillary Agreements will remain in effect and the Parties will continue to perform all of their respective obligations hereunder and thereunder.

1.1.2 Termination at Will. Seagen may terminate this Agreement at will, in Seagen's sole discretion (a) on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis prior to the Degrader License Effective Date for a Collaboration Degrader Target Set, upon delivery of [*] written notice to Nurix; and (b) on a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis after the Degrader License Effective Date for a Licensed Degrader Target Set, upon delivery of [*] written notice to Nurix. Without limiting the foregoing, Seagen may terminate this Agreement at will, in Seagen's sole discretion, in this Agreement's entirety: (i) prior to the Degrader License Effective Date for any Collaboration Degrader Target Set, upon delivery of [*] prior written notice to Nurix; and (ii) after the Degrader License Effective Date for any Licensed Degrader Target Set, upon delivery of [*] prior written notice to Nurix.

1.1.3 Termination for Outside Date. Either Party may terminate this Agreement, on a Collaboration Degrader Target Set-by-Collaboration Degrader Target Set basis, if and to the extent permitted in accordance with Section 5.4.3 (Outside Date).

1.1.4 Termination for Bankruptcy.

(a) *Termination Right*. In the event that either Party (i) commences a voluntary case under the Bankruptcy Code or any similar bankruptcy or insolvency law foreign or domestic, (ii) makes an assignment for the benefit of, or an arrangement or composition generally with, its creditors, (iii) appoints an examiner or of a receiver or trustee over all or substantially all of its property or suffers the appointment of such party that is not discharged within [*] after such filing or appointment, (iv) proposes or is a party to any dissolution, liquidation or winding up of such Party, (v) has an involuntary petition filed against it under the Bankruptcy Code or any similar bankruptcy or insolvency law that is not discharged or dismissed within [*] of the filing thereof, or (vi) admits in writing its inability generally to meet its obligations as they fall due in the ordinary course, then the other Party may terminate this Agreement in its entirety effective immediately upon written notice to such Party.

(b) *Section 365(n) Rights*. For purposes of Section 365(n) of the Bankruptcy Code and any similar law, foreign or domestic, all rights and licenses granted under or pursuant to any Section of this Agreement are rights to "intellectual property" (as defined in Section 101(35A) of the Bankruptcy Code). The Parties agree that the licensee of such rights under this Agreement will retain and may fully exercise all of its protections, rights and elections under the Bankruptcy Code and any similar laws in any other country. Each Party hereby acknowledges that copies of research data, laboratory samples, product samples and inventory, formulas, laboratory notes and notebooks, pre-clinical research data and results, tangible Know-How and rights of reference, in each case, that relate to such intellectual property, constitute "embodiments" of such intellectual property pursuant to Section 365(n) of the Bankruptcy Code. The Parties agree that in the event of the commencement of a case by or against a Party under the Bankruptcy Code, then the other Party will be entitled to a complete duplicate of (or complete access to, as appropriate) any intellectual property licensed to such other Party and all embodiments of such intellectual property, and the same, if not already in the other Party's possession, will be (i) promptly delivered to the other Party, unless and until this Agreement or any license of rights to intellectual property hereunder is rejected, and (ii) if not delivered under clause (i), upon the other Party's written request therefor, following (A) the rejection of this Agreement or any license of rights to intellectual property hereunder, and (B) such other Party's election to retain its rights under Section 365(n)(1)(B) of the Bankruptcy Code. The provisions of this Section 19.2.4(b) (Section 365(n) Rights) are without prejudice to any rights the non-bankrupt Party may have arising under the Bankruptcy Code, laws of other jurisdictions governing insolvency and

bankruptcy or other Applicable Law. The Parties agree that they intend the following rights to extend to the maximum extent permitted by law, including for purposes of the Bankruptcy Code and any similar laws in any other country: (x) the right of access of the licensee to any intellectual property (including all embodiments thereof) of (i) the licensor, or (ii) any Third Party with whom the licensor contracts to perform an obligation of such licensor under this Agreement which is necessary for the Development, Manufacture or Commercialization of a Licensed Product; (y) the right of licensee to contract directly with any Third Party described in (x)(ii) to complete the contracted work and (z) the right of licensee to cure any breach of or default under any such agreement with a Third Party and set off the costs thereof against amounts payable to such licensor under this Agreement.

1.1.5 Termination for Material Safety Matters. Seagen will have the right to terminate this Agreement (and all Ancillary Agreements) in its entirety or in part on a Licensed Degrader Target Set-by-Licensed Degrader Target Set basis upon [*] prior written notice to Nurix, if the Seagen Safety Review Committee has recommended, in accordance with Seagen's internal operating procedures consistently applied across its own pharmaceutical products, cessation of Development or Commercialization of [*]. Seagen shall include in its notice of termination a summary of the Seagen Safety Review Committee's concerns.

1.3 **Effects of Expiration and Termination**.

1.1.1 Termination with respect to Collaboration Degrader Target Sets. Upon termination of this Agreement with respect to a Collaboration Degrader Target Set (including as a result of termination of this Agreement in its entirety): (i) by Seagen, in accordance with Section 19.2.2 (Termination at Will); or (ii) by Nurix, in accordance with Section 19.2.1 (Termination for Material Breach) or Section 19.2.4 (Termination for Bankruptcy); or (iii) by either Party, in accordance with Section 19.2.3 (Termination for Outside Date), such Collaboration Degrader Target Set and all of its Subsets shall become Former Collaboration Degrader Target Sets, and:

(a) the license grant by Nurix to Seagen as further described in Section 14.1 (Research Licenses) with respect to such Former Collaboration Degrader Target Sets shall immediately terminate and Seagen will not have any rights to use or exercise any rights under the Nurix IP with respect to any Collaboration Degraders or Collaboration Degrader-Antibody Conjugates Directed To such Former Collaboration Degrader Target Sets;

(b) Nurix's exclusivity obligations described in Section 14.9.1 (Collaboration Degrader Target Set Exclusivity) shall no longer apply to such Former Collaboration Degrader Target Sets;

(c) the license grant by Seagen to Nurix as further described in Section 14.1 (Research Licenses) with respect to such Former Collaboration Degrader Target Sets shall immediately terminate and Nurix will not have any rights to use or exercise any rights under the Seagen IP with respect to any Collaboration Degraders or Collaboration Degrader-Antibody Conjugates Directed To such Former Collaboration Degrader Target Sets;

(d) Nurix and its Affiliates may research, Develop, Manufacture, Commercialize, or otherwise Exploit Degraders that are Directed To such Former Collaboration Degrader Target Sets including as set forth in Section 14.8.1 (No Restriction on Former Degrader Targets);

(e) Seagen will have no further obligations under this Agreement with respect to Researching, Developing, Manufacturing or Commercializing any Collaboration Degraders or Collaboration Degrader-Antibody Conjugates that are Directed To such Former Collaboration Degrader Target Sets; and

(f) Nurix will have no further obligations under this Agreement with respect to performing the Joint Research Plan or Research activities for such Former Collaboration Degrader Target Sets.

1.1.2 Termination with respect to Licensed Degrader Target Sets. Upon termination of this Agreement with respect to a Licensed Degrader Target Set that is not a Collaboration Degrader Target Set (including as a result of termination of this Agreement in its entirety): (i) by Seagen, in accordance with Section 19.2.2 (Termination at Will); or (ii) by Nurix, in accordance with Section 19.2.1 (Termination for Material Breach), or Section 19.2.4 (Termination for Bankruptcy), such Licensed Degrader Target Set and all of its Subsets (including any [*] Licensed Degrader Target Set that is a Subset thereof) shall become Former Licensed Degrader Target Sets, and:

(a) the license grant by Nurix to Seagen as further described in Section 14.2 (Licensed Degrader License) with respect to such Former Licensed Degrader Target Sets shall immediately terminate and Seagen will not have any rights to use or exercise any rights under the Nurix IP with respect to any Licensed Degraders or Licensed Degrader-Antibody Conjugates Directed To such Former Licensed Degrader Target Sets;

(b) Nurix's exclusivity obligations described in Section 14.9.3 (Licensed Degrader Target Set Exclusivity) and Section 14.9.4 ([*] Licensed Degrader Target Set Exclusivity) shall no longer apply to such Former Licensed Degrader Target Sets;

(c) Nurix and its Affiliates may research, Develop, Manufacture, Commercialize, or otherwise Exploit Degraders that are Directed To such Former Licensed Degrader Target Sets including as set forth in Section 14.8.1 (No Restriction on Former Degrader Targets);

(d) if and to the extent applicable, the terms and conditions of Section 14.3 (Reversion Licenses) shall apply;

(e) Seagen will have no further obligations under this Agreement with respect to Researching, Developing, Manufacturing or Commercializing any Licensed Degraders or Licensed Degrader-Antibody Conjugates Directed To such Former Licensed Degrader Target Sets; and

(f) Nurix will have no further obligations under this Agreement with respect to performing the Joint Research Plan or Research activities for such Former Licensed Degrader Target Sets.

1.1.3 Termination with Respect to Profit-Share Products. Without limiting Section 19.3.2 (Termination with respect to Licensed Degrader Target Sets), upon termination of this Agreement with respect to a Licensed Degrader Target Set (including as a result of termination of this Agreement in its entirety): (i) by Seagen, in accordance with Section 19.2.2 (Termination at Will); or (ii) by Nurix, in accordance with Section 19.2.1 (Termination for Material Breach), or Section 19.2.4 (Termination for Bankruptcy), then:

(a) Upon Nurix's written request delivered to Seagen pursuant to Section 14.3.1 (Reversion Product License Agreement), the Parties shall enter into a Reversion Product License Agreement in accordance with Section 14.3.1 (Reversion Product License Agreement); and

(b) the Parties shall work together in good faith, as soon as reasonably practicable following the effective date of termination, to plan and implement an orderly wind-down or transition of all ongoing Research, Development, Manufacturing and Commercialization activities by or on behalf of the Parties with respect to any Profit-Share Product Directed To such Licensed Degrader Target Set, including the wind-down or transition of any ongoing Clinical Trials with respect to such Profit-Share Product, taking into account the protection of patient health and safety, and in accordance with any requirements under Applicable Law or from applicable Regulatory Authorities and applicable ethical standards.

1.1.4 Termination with Respect to Potential Reversion Products. Without limiting Section 19.3.2 (Termination with respect to Licensed Degrader Target Sets), upon termination of this Agreement with respect to a Licensed Degrader Target Set (including as a result of termination of this Agreement in its entirety): (i) by Seagen, in accordance with Section 19.2.2 (Termination at Will); or (ii) by Nurix, in accordance with Section 19.2.1 (Termination for Material Breach), or Section 19.2.4 (Termination for Bankruptcy), the following shall apply with respect to any Licensed Product that is a Potential Reversion Product Directed To such Licensed Degrader Target Set as of the effective date of termination:

(a) Upon Nurix's written request delivered to Seagen pursuant to Section 14.3.2 (Potential Reversion Products), the Parties shall discuss in good faith the potential terms and conditions of an Other Reversion License Agreement with respect to the applicable Potential Reversion Product pursuant to Section 14.3.2 (Potential Reversion Products); and

(b) if the Parties enter into an Other Reversion License Agreement with respect to the Potential Reversion Product, the Parties shall work together in good faith, as soon as reasonably practicable following the effective date of termination, to plan and implement an orderly wind-down or transition of all ongoing Research, Development, Manufacturing and Commercialization activities by or on behalf of the Parties with respect to the Potential Reversion Product, including the wind-down or transition of any ongoing Clinical Trials with respect to such Potential Reversion Product, taking into account the protection of patient health and safety, and in accordance with any requirements under Applicable Law or from applicable Regulatory Authorities and applicable ethical standards.

1.1.5 Termination for Material Safety Matters. Upon termination of this Agreement pursuant to Section 19.2.5 (Termination for Material Safety Matters), the following provisions shall apply with respect to the terminated Degrader Target Set(s):

(a) the Parties shall work together in good faith, as soon as reasonably practicable following the effective date of termination, to plan and implement an orderly wind-down of all ongoing Research, Development, Manufacturing and Commercialization activities by or on behalf of the Parties with respect to the terminated Degrader Target Set(s) and Licensed Products Directed To such terminated Degrader Target Set(s), including the wind-down of any ongoing Clinical Trials with respect to such Licensed Product(s), taking into account the protection of patient health and safety, and in accordance with any requirements under Applicable Law or from applicable Regulatory Authorities and applicable ethical standards;

(b) notwithstanding anything contained herein to the contrary, except for the activities contemplated by clause (a), following the effective date of termination (i) the licenses granted by each Party to the other Party with respect to the terminated Degrader Target Set(s) and Licensed Products Directed To such Degrader Target Set(s) shall terminate, and (ii) neither Party shall have the right to continue to conduct any research, Development, Manufacturing or Commercialization activities with respect to any Licensed Product(s) that are subject to such termination without the prior written consent of the other Party;

(c) Seagen will have no further obligations under this Agreement with respect to researching, Developing, Manufacturing or Commercializing any Licensed Degraders or Licensed Degrader-Antibody Conjugates Directed To the terminated Degrader Target Set(s) except as set forth in this Section 19.3.5 (Termination for Material Safety Matters); and

(d) each Party shall be responsible for its own costs incurred in the performance of wind-down activities contemplated by this Section 19.3.5 (Termination for Material Safety Matters).

1.1.6 Certain Termination by Seagen. Upon termination of this Agreement with respect to a Collaboration Degrader Target Set or a Licensed Degrader Target Set (including as a result of termination of this Agreement in its entirety) by Seagen in accordance with Section 19.2.1 (Termination for Material Breach) or Section 19.2.4 (Termination for Bankruptcy):

(a) any such Collaboration Degrader Target Set and all of its Subsets shall become Former Collaboration Degrader Target Sets and any such Licensed Degrader Target Set and all of its Subsets shall become Former Licensed Degrader Target Sets; and

(b) the effects of termination set forth in Section 19.3.1 (Termination with respect to Collaboration Degrader Target Sets) and Section 19.3.2 (Termination with respect to Licensed Degrader Target Sets) shall apply, as applicable.

1.1.7 Right to Maintain License. Notwithstanding anything to the contrary contained in this Agreement, if Seagen would have the right to terminate this Agreement in its entirety pursuant to Section 19.2.1(a)(i) with respect to a material breach by Nurix that is not cured during the applicable Cure Period, in lieu of such termination Seagen may elect to continue this Agreement in full force and effect, except that any amounts that become due to Nurix under this Agreement after the date of Seagen's right to terminate shall be [*]. Seagen's election of the remedy set forth in this Section 19.3.7 (Right to Maintain License) shall be without prejudice to any other remedies that Seagen may have under this Agreement or otherwise under Applicable Law; *provided*, that if Seagen also pursues a claim for Damages arising from the applicable breach, then any resulting Damages award shall be reduced by the value of the remedies provided under this Section 19.3.7 (Right to Maintain License).

1.4 **Surviving Provisions**.

1.1.1 Accrued Rights; Remedies. The expiration or termination of this Agreement for any reason will be without prejudice to any rights that will have accrued to the benefit of any Party prior to such expiration or termination, and any and all Damages or remedies (whether at law or in equity) arising from any breach hereunder, each of which will survive expiration or termination of this Agreement. Such expiration or termination will not relieve any Party from obligations which are expressly indicated to survive expiration or termination of this Agreement. Except as otherwise expressly set forth in this Agreement, the termination

provisions of this Article 19 (Term and Termination) are in addition to any other relief and remedies available to either Party under this Agreement, at law or in equity. Except as expressly stated herein with respect to the applicable Collaboration Degrader Target Set or Licensed Degrader Target Set, termination of this Agreement, in part, with respect to a Collaboration Degrader Target Set or a Licensed Degrader Target Set will have no effect on the terms and conditions of this Agreement or the rights and obligations of the Parties with respect to any other matter or Degrader Target Set.

1.1.2 Survival. Without limiting the provisions of Section 19.4.1 (Accrued Rights; Remedies), the rights and obligations of the Parties set forth in the following Sections and Articles of this Agreement will survive (for the time periods set forth therein, as applicable) the expiration or termination of this Agreement in its entirety, in addition to those other terms and conditions that are expressly stated to survive termination or expiration of this Agreement: Article 1 (to the extent terms defined therein are used in or necessary to interpret other surviving provisions), Section 2.8 (Former Collaboration Degrader Target Sets), Section 2.9 (Former Licensed Degrader Target Sets), Section 4.6 (Seagen-Provided Property), Section 4.7 (Nurix-Provided Property), Section 4.9 (Records Retention), Section 4.10 (Research Costs) (first sentence only), Article 13 (Financial Terms) (solely with respect to any payment or obligation accrued prior to expiration or termination of this Agreement), Section 14.3 (Reversion Licenses), Section 14.6 (Retained Rights), Section 15.1 (Ownership), Section 15.5 (Recovery) (with respect to any Action initiated prior to expiration or termination of this Agreement), Article 16 (Confidentiality), Section 17.5 (Disclaimer), Article 18 (Indemnification; Insurance), Section 19.2.4(b) (Section 365(n) Rights), Section 19.3 (Effects of Expiration and Termination), Section 19.4 (Surviving Provisions) and Article 20 (Miscellaneous).

## ARTICLE 20
## MISCELLANEOUS

1.1 **Severability**. If one (1) or more of the terms or provisions of this Agreement is held by a court of competent jurisdiction to be void, invalid or unenforceable in any situation in any jurisdiction, such holding will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the void, invalid or unenforceable term(s) or provision(s) in any other situation or in any other jurisdiction, and the relevant term(s) or provision(s) will be considered severed from this Agreement solely for such situation and solely in such jurisdiction, unless the void, invalid or unenforceable term(s) or provision(s) are of such essential importance to this Agreement that it is to be reasonably assumed that the Parties would not have entered into this Agreement without the void, invalid or unenforceable term(s) or provision(s) being valid and enforceable in such situation and in such jurisdiction. If the final judgment of such court declares that any term or provision hereof is void, invalid or unenforceable, the Parties shall endeavor in good faith to: (a) reduce the scope, duration, area or applicability of the term or provision or to delete specific words or phrases to the minimum extent necessary to cause such term or provision as so reduced or amended to be valid and enforceable; and (b) replace any void, invalid or unenforceable term or provision with a valid and enforceable term or provision such that the objectives contemplated by the Parties when entering this Agreement may be realized to the extent practicable, in each case ((a) and (b)), pursuant to an amendment to this Agreement to be negotiated in good faith and mutually agreed in writing by the Parties.

1.2 **Notices**. Any notice required or permitted to be given by this Agreement will be in writing and in English and will be deemed to have been duly given when (a) scanned and converted into a portable document format file (*i.e.*, pdf file) and sent as an attachment to an e-mail message, where, when such message is received, a read receipt e-mail is received by the sender, or (b) the earlier of when received by the addressee or five (5) days after the date it was sent, if sent by registered or certified mail or by an internationally recognized overnight courier with tracking

capabilities (in each case, prepaid and receipt requested), to the appropriate addresses or e-mail addresses set forth below (or to such other addresses if changed by notice so given):

If to Seagen:

Seagen Inc.
21823 30th Drive SE
Bothell, WA 98021
[*]

With copies (which shall not constitute notice) to:

Goodwin Procter LLP
1900 N Street, NW
Washington, DC 20036
[*]

If to Nurix:

Nurix Therapeutics, Inc.
1700 Owens Street
Suite 205
San Francisco, CA 94158
[*]

With copies (which shall not constitute notice) to:

Sidley Austin LLP
555 California Street, Suite 2000
San Francisco, CA 94104
[*]

*provided*, that any notice so received after 5:30 p.m. (in the time zone of the receiving Party) on a Business Day or so received on a non-Business Day, in each case, will be deemed to have been received on the next Business Day. A Party may add, delete or change the person or address to which notices should be sent at any time upon written notice delivered to the other Party in accordance with this Section 20.2 (Notices). Notwithstanding anything to the contrary contained in this Agreement, this Section 20.2 (Notices) is not intended to govern day-to-day business communications between the Parties in exercising their rights or performing their obligations under the terms of this Agreement.

1.3 **Force Majeure**. A Party will not be liable for delay or failure in the performance of any of its obligations hereunder or under any Ancillary Agreement to the extent such delay or failure is due to a cause beyond the reasonable control of such Party, including (in each case, to the extent beyond the non-performing Party's reasonable control) acts of God, fires, earthquakes, acts of war, terrorism, civil unrest, hurricane or other natural disaster, embargoes, shortages, epidemics, quarantines, strikes, lockouts or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), or acts, omissions or delays in acting by any Governmental Authority (except to the extent such omission or delay results from the breach by the non-performing Party of obligations under this Agreement or any Ancillary Agreement); *provided*, that: (a) the affected Party promptly notifies the other Party in writing (but no later than thirty (30) days after such occurrence and stating the nature of the event, its anticipated duration

and any action being taken to avoid or minimize the effect); (b) the affected Party uses its Commercially Reasonable Efforts to avoid or remove such causes of non-performance and to mitigate the effect of such occurrence, and otherwise continues performance of this Agreement and any Ancillary Agreements in accordance with the terms hereof and thereof; and (c) the suspension of performance by the affected Party will be of no greater scope and no longer duration than is necessary under the circumstances. When such circumstances arise, the Parties will negotiate in good faith any modifications of the terms of this Agreement or any Ancillary Agreement that may be necessary or appropriate in order to arrive at an equitable solution; *provided*, *however*, that in the event that the force majeure continues for more than ninety (90) days, the Party not affected by such force majeure will have the right, at its sole election and expense, and upon at least thirty (30) days' prior written notice to the non-performing Party, and without limitation to any other right or remedy available to either Party, to assume and complete some or all of the activities that the non-performing Party is not performing as a result of such force majeure.

1.4 **Assignment; Change of Control**. Except as provided in this Section 20.4 (Assignment; Change of Control), this Agreement may not be assigned or transferred, whether by operation of law or otherwise, nor may any right or obligation hereunder be assigned or transferred, by either Party without the prior written consent of the other Party; *provided*, *however*, that (and notwithstanding anything in this Agreement to the contrary) either Party may, without such consent, assign or transfer this Agreement and its rights and obligations hereunder in whole or in part: (a) to its successor in interest in the transfer or sale of (i) all or substantially all of its assets or business or (ii) all or substantially all of its assets or business related to the subject matter of this Agreement; or (b) to its successor in interest in a merger or consolidation (or similar transaction) of the assigning or transferring Party, including any Change of Control transaction; *provided*, that in each case, such Party will provide written notice to the other Party within thirty (30) days after the closing of any such transaction(s). Any (A) successor of either Party or (B) assignee of all of either Party's rights under this Agreement that has also assumed all of such Party's obligations hereunder in writing and notified the other Party of such assumption will, in each case (A) and (B), upon any such succession or assignment and assumption, as applicable, be deemed to be a "Party" to this Agreement as though named herein in substitution for such Party, whereupon such Party will cease to be a "Party" to this Agreement and will cease to have any rights or obligations hereunder. In addition, each Party will have the right, without the consent of the other Party, to assign any or all of its rights and delegate any or all of its obligations hereunder to any of its Affiliates; *provided*, that notwithstanding anything herein to the contrary, such Party will be jointly and severally liable with any such Affiliate assignee under this Agreement. Any attempted assignment not in accordance with this Section 20.4 (Assignment; Change of Control) will be void.

1.5 **Waivers, Amendments and Modifications**. The failure of any Party to insist on the performance of any obligation hereunder will not be deemed to be a waiver of such obligation. Waiver of any breach of any provision hereof will not be deemed to be a waiver of any other breach of such provision or any other provision on such occasion or any succeeding occasion. No waiver of any obligation under or provision of this Agreement will be effective unless it has been given in writing and signed by the Party giving such waiver, and no provision of this Agreement may be amended or modified other than by a written document signed by authorized representatives of each Party.

1.6 **Choice of Law; Dispute Resolution; Jurisdiction**.

1.1.1 Choice of Law. This Agreement or any Ancillary Agreement and any Dispute arising from the performance or breach hereof or thereof will be governed by and interpreted in accordance with the laws of the State of New York, without giving effect to any choice of law rules that would result in the application of the laws of any other jurisdiction; *provided*, that any Dispute (a) concerning the inventorship of Patents shall be determined in accordance with Section 15.1 (Ownership), and (b) concerning the scope, validity, enforceability,

or infringement of a Patent shall be determined in accordance with the laws of the country or other jurisdiction in which the particular Patent has been filed or granted, as the case may be (Disputes described in clause (a) and (b), collectively, "**Patent Disputes**"). The provisions of the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement or any subject matter hereof.

1.1.2 Dispute Escalation.

(a) Other than a disagreement (including any failure to agree) with respect to any matter that is subject to the decision-making authority of the JSC, JRC, or JPC or to a Party's final decision-making authority, in each case, as described in Section 10.6 (Committee Decisions) and subject to Section 10.7 (Scope of Committee Authority), in the event of any other unresolved matter, dispute or issue relating to this Agreement ("**Dispute**"), the Party claiming that such Dispute exists will give notice in writing (a "**Notice of Dispute**") to the other Party regarding the nature of the Dispute. Within [*] Business Days following receipt of a Notice of Dispute, the Executive Officers will meet (which may be via teleconference) at a mutually agreed upon time and location for discussion and resolution. Except in the case of Patent Disputes and matters expressly requiring the mutual agreement of the Parties, and without limiting clause (i) of Section 20.6.3 (Arbitration) or Section 20.12 (Equitable Relief; Cumulative Remedies), if the Executive Officers are unable to resolve such Dispute within [*] Business Days following such meeting, either Party may, by written notice to the other Party (an "**Arbitration Notice**"), refer the applicable Dispute for resolution by confidential binding arbitration, under the procedures set forth in Section 20.6.3 (Arbitration), as the Parties' sole and exclusive mechanism for the resolution of such Disputes.

(b) For clarity, (i) matters that are subject to the decision-making authority of the JSC, JRC, or JPC or to a Party's final decision-making authority, in each case, as described in Section 10.6 (Committee Decisions) and subject to Section 10.7 (Scope of Committee Authority), (ii) matters that expressly require the mutual agreement of the Parties, (iii) matters that expressly require the consent, approval or agreement of one or both Parties, or that are subject to a Party's sole discretion hereunder, (iv) Patent Disputes, and (v) any other matter expressly excluded from the resolution procedures contemplated by this Section 20.6.2 (Dispute Escalation) or 20.6.3 (Arbitration), in each case ((i)-(v)), shall not be subject to binding arbitration and the dispute resolution procedures set forth in Section 20.6.3 (Arbitration).

1.1.3 Arbitration. Any Dispute referred for resolution under this Section 20.6.3 (Arbitration) in accordance with Section 20.6.2 (Dispute Escalation) will be resolved exclusively by binding arbitration administered by [*] in accordance with the [*] then in effect (the "**Rules**"), subject to this Section 20.6.3 (Arbitration). Pursuant to this Section 20.6.3 (Arbitration):

(a) Upon receipt of an Arbitration Notice by a Party, the applicable Dispute will be resolved by final and binding arbitration before three (3) neutral arbitrators mutually agreed by the Parties; *provided*, *however*, that if the Parties cannot agree on such arbitrators within [*] days of the commencement of the arbitration (i.e., when [*] issues a Commencement Letter), then each Party shall select one (1) arbitrator satisfying the conditions of this clause and the two (2) arbitrators so selected by the Parties shall select the third (3rd) arbitrator (the "**Arbitrators**"). The Arbitrators will not be current or former employees, agents, consultants or representatives of either Party or its Affiliates. The Arbitrators shall not be from academia, and the Arbitrators shall be qualified attorneys in private practice or retired judges with experience in complex commercial disputes, and professionally fluent in English. Each Arbitrator shall have not

less than [*] of experience in the biotechnology or pharmaceutical industry and subject matter expertise with respect to the matter subject to arbitration.

(b) The arbitration will be conducted pursuant to the [*], or the equivalent successor rules in effect at the time such Dispute arises; *provided*, that in all respects, the Parties will use good faith efforts to agree on shorter periods for discovery cut-offs and the commencement of the hearing, and to expedite a ruling on the Dispute as quickly as practicable.

(c) The Arbitrators will, within [*] days after the closing of the hearing (in accordance with Rule 22(h)), issue a written award and statement of decision describing the material facts and the grounds for the conclusions on which the award is based, including the calculation of any Damages awarded. The Arbitrators will be authorized to award compensatory damages, but will not be authorized to reform, modify or change this Agreement. The proceedings and decisions of the Arbitrators will be confidential, final and binding on the Parties (subject to clause (j) below), and judgment upon the award of the Arbitrators may be entered in any court having jurisdiction thereof.

(d) Each Party will bear its own costs and expenses (including legal fees and expenses) relating to the arbitration proceeding, except that the fees of the Arbitrators and other related costs of the arbitration will be shared equally by the Parties, unless the Arbitrators determine that a Party has incurred unreasonable expenses due to vexatious or bad faith positions taken by the other Party, in which event the Arbitrators may make an award of all or any portion of such expenses (including legal fees and expenses) so incurred.

(e) The Arbitrators shall comply with, and the award will be limited by, any express provisions of this Agreement relating to Damages or the limitation thereof. The Arbitrators will not have the power to award punitive damages regardless of whether any such damages are contained in a proposal, and such award is expressly prohibited.

(f) All arbitration proceedings and decisions of the Arbitrators under this Section 20.6.3 (Arbitration) will be deemed Confidential Information of both Parties under Article 16 (Confidentiality).

(g) Unless otherwise mutually agreed by the Parties in writing, the arbitration proceedings will take place in New York, New York.

(h) The arbitration will be conducted in the English language and there will be a stenographic record of the proceedings.

(i) Neither Party will have the right independently to seek recourse from a court of law or other authorities in lieu of arbitration, but, without limiting the rights set forth in Section 20.12 (Equitable Relief; Cumulative Remedies), each Party has the right before or during the arbitration to seek and (if granted) obtain from a court of competent jurisdiction appropriate provisional remedies to avoid irreparable harm, maintain the status quo or preserve the subject matter of the arbitration. Subject to Applicable Law (including 9 U.S.C. § 10), the decision of the Arbitrators will be final and binding and not subject to appeal of any kind, except in the case of fraud, willful misconduct, or manifest error.

1.1.4 Interim Plans. To the extent necessary to continue to maintain the status quo, during the pendency of any Dispute, the Parties shall continue to perform their obligations and exercise their rights hereunder in a manner that maintains such status quo.

1.1.5 Exclusive Jurisdiction; Venue. Except for Patent Disputes and as otherwise provided in Section 20.6.3 (Arbitration) or Section 20.12 (Equitable Relief; Cumulative Remedies), (a) each Party irrevocably submits to the exclusive jurisdiction of (i) the courts of the State of New York located in New York, NY, or (ii) the United States District Court for the Southern District of New York, for the purposes of any Dispute unresolved under Section 20.6.2 (Dispute Escalation) and arising out of or relating to this Agreement or any Ancillary Agreement, (b) each Party agrees to commence any such Action either in the United States District Court for the Southern District of New York or if such Action may not be brought in such court for jurisdictional reasons, in the courts of the State of New York located in New York, New York, and (c) each Party irrevocably and unconditionally waives any objection to the laying of venue of any such Action in (i) the courts of the State of New York located in New York, New York, or (ii) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim before any Governmental Authority that any such Action brought in any such court has been brought in an inconvenient forum. Notwithstanding the foregoing, the Parties agree that any Patent Dispute shall be submitted to a court of competent jurisdiction or applicable Governmental Authority (including applicable intellectual property office) with sufficient authority to resolve such Patent Dispute. Each Party agrees that process may be served upon it in the manner specified in Section 20.2 (Notices) and irrevocably waives and covenants not to assert or plead any objection which it might otherwise have to such jurisdiction, or to such manner of service of process.

1.7 **Relationship of the Parties**. Nurix and Seagen are independent contractors under this Agreement. Nothing contained herein is intended or is to be construed so as to constitute either Party as a partner, agent or joint venturer of the other Party, including for Tax purposes. In any communications (including in oral, written, visual, graphic or electronic form) with any Third Party (including any Governmental Authority), (a) Nurix shall not refer to Seagen as a partner, agent or joint venturer of Nurix and (b) Seagen shall not refer to Nurix as a partner, agent or joint venturer of Seagen. The Parties shall file all Tax returns and take all Tax positions in a manner consistent with this Section 20.7 (Relationship of the Parties), unless otherwise required pursuant to a final determination by a Governmental Authority. Neither Nurix nor Seagen, respectively, will have any express or implied right or authority to assume or create any obligations on behalf of or in the name of Nurix and Seagen, respectively, or to bind Nurix and Seagen, respectively, to any contract, agreement or undertaking with any Third Party.

1.8 **Fees and Expenses**. Except as otherwise specified in this Agreement, each Party will bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby.

1.9 **Third Party Beneficiaries**. There are no express or implied Third Party beneficiaries hereunder. The provisions of this Agreement are for the exclusive benefit of the Parties, and no other Person will 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, except for the rights of the Nurix Indemnitees pursuant to Section 18.1.1 (Indemnification by Seagen) and Section 18.2 (Indemnification Procedure) and the Seagen Indemnitees pursuant to Section 18.1.2 (Indemnification by Nurix) and Section 18.2 (Indemnification Procedure).

1.10 **Entire Agreement**. This Agreement, together with any Schedules or Exhibits hereto and the Ancillary Agreements, contains the entire agreement by the Parties with respect to the subject matter hereof and supersedes any prior express or implied agreements, understandings

and representations, either oral or written, which may have related to the subject matter hereof in any way, including any and all term sheets or similar documents relating to the transactions contemplated by this Agreement and exchanged between the Parties prior to the Effective Date; *provided*, that this Agreement will not supersede the terms and provisions of the Mutual Confidential Disclosure Agreement executed by the Parties as of April 21, 2022 ("**Prior CDA**"), as applicable to any period prior to the Effective Date, and nothing in this Section 20.10 (Entire Agreement) shall prejudice any rights or obligations of the Parties accrued under the Prior CDA as of the Effective Date.

1.11 **Counterparts**. This Agreement may be executed in counterparts with the same effect as if both Parties had signed the same document. All such counterparts will be deemed an original, will be construed together and will constitute one and the same instrument. Any such counterpart, to the extent delivered by means of facsimile by .pdf, .tif, .gif, .jpeg or similar attachment to electronic mail or through the use of a nationally recognized "eSignature" platform such as DocuSign® (any such delivery, an "**Electronic Delivery**") will be treated in all manners and respects as an original executed counterpart and will be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No Party will raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each Party forever waives any such defense, except to the extent that such defense relates to lack of authenticity.

1.12 **Equitable Relief; Cumulative Remedies**. Notwithstanding anything to the contrary contained in this Agreement or any Ancillary Agreement, the Parties will be entitled to seek from any court of competent jurisdiction equitable relief, whether preliminary or permanent, including an injunction or specific performance, as a remedy for any breach of this Agreement or any Ancillary Agreement. Such remedies will not be deemed to be the exclusive remedies for a breach of this Agreement or any Ancillary Agreement but will be in addition to all other remedies available at law or in equity. No remedy referred to in this Agreement or any Ancillary Agreement is intended to be exclusive, but each will be cumulative and in addition to any other remedy referred to in this Agreement or any Ancillary Agreement or otherwise available under Applicable Law.

1.13 **Interpretation**.

1.1.1 Generally. This Agreement has been diligently reviewed by and negotiated by and between the Parties, and in such negotiations each of the Parties has been represented by competent (in-house or external) counsel, and the final agreement contained herein, including the language whereby it has been expressed, represents the joint efforts of the Parties and their counsel. Accordingly, in interpreting this Agreement or any provision hereof, no presumption will apply against any Party as being responsible for the wording or drafting of this Agreement or any such provision, and ambiguities, if any, in this Agreement will not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision. In the event of any conflict between the terms and conditions set forth in the body of the Agreement, on the one hand, and any Schedule or Exhibit on the other hand, the terms in the body of the Agreement will govern.

1.1.2 Definitions; Interpretation. As used herein:

(a) The definitions of the terms herein will apply equally to the singular and plural forms of the terms defined and, where a word or phrase is defined herein, each of its other grammatical forms will have a corresponding meaning.

(b) Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms.

(c) The word “will” will be construed to have the same meaning and effect as the word “shall.”

(d) References to a Party “and its Affiliates” or to a Party and “and any of its Affiliates,” and like phrases, will be construed to have the same meaning and effect, and refer to the Party and/or any one (1) or more of its Affiliates.

(e) The “U.S.” and “United States” will be construed to have the same meaning and mean the United States of America and its territories and possessions.

(f) The words “including,” “includes,” “include,” “for example,” “such as” and “*e.g.*,” and words of similar import, will be deemed to be followed by the words “without limitation.”

(g) The word “or” will be interpreted to mean “and/or,” unless the context requires otherwise.

(h) References to this Agreement and the words “hereof,” “herein” and “hereunder,” and words of similar import, will, unless otherwise stated, be construed to refer to this Agreement as a whole (including any Schedules or Exhibits hereto) and not to any particular provision of this Agreement.

(i) Unless the context requires otherwise or otherwise specifically provided, references to drugs or pharmaceutical products or therapies include biological products or therapies, and no distinction is intended between pharmaceutical or biological products or therapies.

(j) Unless the context requires otherwise or otherwise specifically provided: (i) all references herein to Articles, Sections, Schedules or Exhibits will be construed to refer to Articles, Sections, Schedules or Exhibits of this Agreement; and (ii) reference in any Section to any clauses are references to such clauses of such Section.

(k) Whenever this Agreement refers to a number of days, unless otherwise specified (including references to Business Days), such number refers to calendar days.

(l) Unless otherwise specified, deadlines within which any payment is to be made or act is to be done within or following a specified time period after a date will be calculated by excluding the day, Business Day, month or year of such date, as applicable, and including the day, Business Day, month or year of the date on which the period ends.

(m) Whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment will be made or action taken on the next Business Day following such day to make such payment or do such act.

(n) The word “optimized” means to make effective or functional for a given purpose, and shall not mean making as perfect, as effective, or as functional as possible (for example, the word “optimized” with respect to a Degrader will not be construed to require that the Degrader in question be optimal at degrading the applicable

Degrader Target(s) or at causing pharmacologically relevant activity as a result of such degradation).

1.1.3 Subsequent Events. Unless the context requires otherwise: (a) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (b) any reference to any Applicable Law herein will be construed as referring to such Applicable Law as from time to time enacted, repealed or amended; and (c) subject to Section 20.4 (Assignment; Change of Control), any reference herein to any Person will be construed to include the Person's successors and permitted assigns.

1.1.4 Headings. Headings, captions and the table of contents are for convenience only and will not be used in the interpretation or construction of this Agreement.

1.14 **Further Assurances**. Each Party will execute, acknowledge and deliver such further instruments, and do all such other ministerial, administrative or similar acts, as may be reasonably necessary or appropriate in order to carry out the expressly stated purposes and the clear intent of this Agreement.

*(Remainder of Page Intentionally Left Blank; Signature Page Follows)*

**IN WITNESS WHEREOF**, and intending to be legally bound hereby, the Parties have caused this Collaboration and License Agreement to be executed by their respective duly authorized officers as of the Effective Date.

| **NURIX THERAPEUTICS, INC.** | **SEAGEN INC.** |
| --- | --- |
| By: /s/ Arthur T. Sands | By: /s/ David R. Epstein |
| Name: Arthur T. Sands | Name: David R. Epstein |
| Title: President and CEO | Title: Chief Executive Officer |

**Exhibit 31.1**

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

I, Arthur T. Sands, certify that:

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

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

By: /s/ ARTHUR T. SANDS
Arthur T. Sands, M.D., Ph.D.
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: October 12, 2023

**Exhibit 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Hans van Houte, certify that:

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

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

By: /s/ HANS VAN HOUTE
Hans van Houte
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: October 12, 2023

**Exhibit 32.1**

**CERTIFICATIONS PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**
**(18 U.S.C. SECTION 1350)**

Each of the undersigned officers of Nurix Therapeutics, Inc. (the Company) certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended August 31, 2023 (the Quarterly Report), as filed with the Securities and Exchange Commission, 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 this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ ARTHUR T. SANDS
Arthur T. Sands, M.D., Ph.D.
President, Chief Executive Officer and Director
(Principal Executive Officer)

By: /s/ HANS VAN HOUTE
Hans van Houte
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: October 12, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.