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PROSPECTUS



Up to 8,182,110 Shares of Common Stock

This prospectus relates to the resale from time to time by YA II PN, Ltd., a Cayman Islands exempt limited company ("Yorkville" or the "Selling Stockholder"), of up to 8,182,110 shares of our common stock, par value $0.0001 per share (the "common stock").

The shares of common stock to which this prospectus relates consist of (i) up to 8,000,000 shares of common stock (the "Advance Shares") that we may, in our sole discretion, elect to issue and sell to the Selling Stockholder from time to time pursuant to the Standby Equity Purchase Agreement that we entered into with the Selling Stockholder on October 15, 2026 (the "SEPA") and (ii) up to 182,110 shares of common stock (the "Commitment Shares") issuable upon exercise of warrants (the "Commitment Fee Warrants") that we have issued to the Selling Stockholder in payment of a portion of the commitment fee payable under the SEPA.

We are not selling any securities under this prospectus and will not receive any proceeds from the sale of common stock by the Selling Stockholder. However, we may receive up to $40,000,000 in aggregate gross proceeds from sales of Advance Shares that we may elect to make to the Selling Stockholder pursuant to the SEPA from time to time during the 36 months following the date of the SEPA. The Advance Shares will be purchased by the Selling Stockholder at a price equal to 97% of the lowest daily volume weighted average price ("VWAP") of our common stock during the three consecutive trading days commencing on the date we deliver an advance notice, subject to certain limitations, including that the Selling Stockholder may not purchase any shares that would result in the Selling Stockholder and its affiliates beneficially owning more than 4.99% of the then-outstanding voting power or number of shares of our common stock. See "*The Standby Equity Purchase Agreement*" for a description of the SEPA and "*Selling Stockholder*" for additional information regarding Yorkville.

The Selling Stockholder may sell or otherwise dispose of the shares of common stock described in this prospectus in a number of different ways and at varying prices. Information about how the Selling Stockholder may sell or otherwise dispose of the shares is described in this prospectus under the caption "*Plan of Distribution*." The Selling Stockholder is an "underwriter" within the meaning of Section 2(a)(11) of the Securities Act of 1933, as amended (the "Securities Act"), and any profits on the sales of shares of our common stock by the Selling Stockholder and any discounts, commissions or concessions received by the Selling Stockholder are deemed to be underwriting discounts and commissions under the Securities Act. If any underwriters, dealers, or agents are involved in the sale of any of the securities, their names and any applicable purchase price, fee, commission, or discount arrangement between or among them will be set forth, or will be calculable from the information set forth, in any applicable prospectus supplement.

We will bear all of the registration expenses incurred in connection with the registration of these shares of common stock. The Selling Stockholder will pay discounts, commissions, fees of underwriters, selling brokers or dealer managers and similar expenses, if any, incurred for sales of these shares of common stock.

Tungsten Partners LLC d/b/a Tungsten Advisors (through its broker-dealer, Finalis Securities LLC) (the "Placement Agent") acted as the sole placement agent for the SEPA. We have agreed to pay the Placement Agent a placement fee equal to 3% of the aggregate purchase price of any Advance Shares when and if purchased by Yorkville pursuant to the SEPA.

Our common stock is quoted on the OTCQB Venture Market operated by OTC Markets Group Inc. (the "OTCQB") under the symbol "BCAB." On October 28, 2026, the last reported sale price of our common stock on the OTCQB was $2.00 per share.

Investing in our securities involves a high degree of risk. You should carefully consider the risks described under the heading "Risk Factors" beginning on page 15 of this prospectus.

We are a "smaller reporting company" as defined under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and may elect to comply with reduced public company reporting requirements in future filings. See "Prospectus Summary—Implications of Being a Smaller Reporting Company."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated October 29, 2026

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You should rely only on the information contained in this prospectus or any prospectus supplement or amendment. Neither we, nor the Selling Stockholder, have authorized any other person to provide you with information that is different from, or adds to, that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the Selling Stockholder take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should assume that the information contained in this prospectus or any free writing prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date. We are not making an offer of any securities in any jurisdiction in which such offer is unlawful.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our securities or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this public offering and the distribution of this prospectus applicable to that jurisdiction.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 that we filed with the U.S. Securities and Exchange Commission (the "SEC"), pursuant to which the Selling Stockholder may, from time to time, offer and sell or otherwise dispose of the shares of common stock covered by this prospectus.

We may also provide a prospectus supplement or post-effective amendment to the registration statement to add information to, or update or change information contained in, this prospectus. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement or post-effective amendment, you should rely on the prospectus supplement or post-effective amendment, as applicable. You should read both this prospectus and any applicable prospectus supplement or post-effective amendment to the registration statement together with the additional information described under the heading "*Where You Can Find More Information*."

You should rely only on the information contained in this prospectus and any prospectus supplement filed by us with the SEC in connection with this offering. Neither we nor the Selling Stockholder has authorized anyone to provide you with information that is different from or in addition to the information contained in this prospectus, any applicable prospectus supplement and any related free writing prospectus filed by us with the SEC. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The Selling Stockholder is offering to sell, and seeking offers to buy, our securities only in jurisdictions where offers and sales are permitted. You should assume that the information contained in this prospectus and any applicable prospectus supplement is accurate only as of the respective dates of such documents, regardless of the time of delivery of this prospectus or any sale of our securities. Our business, financial condition, results of operations and prospects may have changed materially since those dates.

For investors outside the United States: Neither we, nor the Selling Stockholder have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of securities and the distribution of this prospectus outside the United States.

Unless the context otherwise indicates, references in this prospectus to "BioAtla", the "Company", "we", "us" and "our" refer to BioAtla, Inc., a Delaware corporation. BioAtla is a trademark of BioAtla, Inc. Our logos and trademarks are the property of BioAtla. All other brand names or trademarks appearing in this prospectus are the property of their respective holders. Use or display by us of other parties' trademarks or trade dress in this prospectus is not intended to, and does not, imply a relationship with, or endorsements or sponsorship of, us by the trademark or trade dress owners.

FORWARD-LOOKING STATEMENTS

This prospectus, any applicable prospectus supplement and any free writing prospectus contain forward-looking statements. We may, in some cases, use words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes to identify these forward-looking statements. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements.

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 financial condition, results of operations, business strategy short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions, including risks described in the "*Risk Factors*" section of this prospectus. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this prospectus, any applicable prospectus supplement and any free writing prospectus may not occur, and actual results may differ materially and adversely from those anticipated or implied in the forward-looking statements. Such forward-looking statements include, but are not limited to, statements about:

- our ability to develop and advance our current product candidates and programs into, and successfully complete, clinical trials;
- the ability of our clinical trials to demonstrate safety and efficacy of our product candidates and other positive results;
- the size of the market opportunity for our product candidates, including our estimates of the number of patients who suffer from the diseases we are targeting;
- our manufacturing, commercialization and marketing capabilities and strategy;
- our plans and strategies to develop and commercialize our CAB antibodies;
- our plans to further develop our technology platform and expand our pipeline of product candidates;
- our plans regarding the formal process to explore and evaluate strategic options, the timing of such process and expected costs related thereto, and our expectations regarding the workforce reduction implemented in connection with the concurrent restructuring plan;
- the potential benefits and advantages of our current and future product candidates that we may develop from our patented technology platform;
- the timing or likelihood of regulatory filings and approvals for our product candidates;
- regulatory developments in the United States and Europe and other foreign countries;
- our expectations and plans to obtain funding for our operations, including from our existing and potential future collaboration and licensing agreements;
- our ability to continue as a going concern;

- our expectations regarding our ability to obtain and maintain intellectual property protection for our technology platform and product candidates;
- the potential benefits of our strategic relationships and our plans to pursue additional strategic relationships;
- our continued reliance on third parties to conduct additional clinical trials of our product candidates and for the manufacture of our product candidates for preclinical studies and clinical trials;
- our ability to achieve the expected benefits of our workforce reduction;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing; and
- the impact of health epidemics and outbreaks on our business, financial condition, results of operations, and prospects.

We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date they were made. We disclaim any obligation, except as specifically required by law, and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in such forward-looking statements.

You should read this prospectus with the understanding that our actual future results may be materially different from those expressed in forward-looking statements.

PROSPECTUS SUMMARY

This summary highlights selected information included in this prospectus and does not contain all of the information that may be important to you. You should carefully review this entire prospectus, including the risk factors and financial statements and related notes thereto included herein, any applicable prospectus supplement and any related free writing prospectus that we have authorized for use in connection with this offering before making a decision to purchase our common stock.

Overview

We are a clinical-stage biopharmaceutical company developing our novel class of highly specific and selective antibody-based therapeutics for the treatment of solid tumor cancer. Our CABs capitalize on our proprietary discoveries with respect to tumor biology, enabling us to target known, validated tumor antigens that have previously been difficult or impossible to target. Our novel CAB therapeutic candidates exploit characteristic pH differences between the tumor microenvironment and healthy tissue. Unlike healthy tissue, the tumor microenvironment is acidic, and we have designed our antibodies to selectively bind to their targets on tumor cells under acidic pH conditions but not on targets in normal tissues. Our proprietary approach is to identify the necessary targeting and potency required for cancer cell destruction, while aiming to eliminate or greatly reduce on-target, off-tumor toxicity—one of the fundamental challenges of existing cancer therapies.

We are a United States-based company with facilities in San Diego, California. Since the commencement of our operations, we have focused substantially all of our resources on conducting research and development activities, including drug discovery, preclinical studies and clinical trials of our product candidates, including the completed Phase 2 clinical trials of mecbotamab vedotin (BA3011), ozuriftamab vedotin (BA3021), evalstotug (BA3071), and our ongoing Phase 1 clinical trial of BA3182 (CAB-EpCAM x CAB-CD3), establishing and maintaining our intellectual property portfolio, manufacturing clinical and research material through third parties, hiring personnel, establishing product development and commercialization collaborations with third parties, raising capital and providing general and administrative support for these operations.

On March 2, 2026, we announced that our Board of Directors initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. There can be no assurance that this process will result in any agreements or transactions. We do not intend to provide updates until our Board of Directors approves a specific action or otherwise determines whether disclosure is appropriate or required.

In connection with the evaluation of strategic options, we also implemented a reduction in force and other cost-containment measures intended to better align resources with our near-term priorities. In order to continue to preserve capital during this period, we are re-evaluating the timing and scope of our clinical development programs. As part of this process, we paused further enrollment in our ongoing Phase 1 study of BA3182 (CAB-EpCAM x CAB-CD3), while continuing treatment, follow-up of patients, including obtaining new scans in the study. We are also reassessing the appropriate timeline and pacing of further enrollment in the Phase 1 study as well as the appropriate timeline to commence a Phase 3 study for ozuriftamab vedotin (BA3021) (CAB-ROR2-ADC) in 2L+ oropharyngeal squamous cell carcinoma. While our goal is to continue these studies, there can be no assurances that clinical development of our programs will not be limited or delayed pending the outcome of the strategic process.

Corporate Information

Our business was founded in March 2007 and originally operated as a Delaware limited liability company, BioAtla, LLC. In July 2020, we converted from a limited liability company into a Delaware corporation pursuant to a statutory conversion and changed our name from BioAtla, LLC to BioAtla, Inc. Our principal executive offices are located at 11085 Torreyana Road, San Diego, California 92121, and our telephone number is (858) 558-0708. Our corporate website address is www.bioatla.com. Information contained on, or that may be accessed through, our website is not incorporated by reference into this prospectus and should not be considered a part of this prospectus.

Implications of Being a Smaller Reporting Company

We are a "smaller reporting company," as defined by the Exchange Act, and the rules and regulations thereunder, meaning that the market value of our common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter or our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter. Accordingly, we may provide less public disclosure than larger public companies, including the inclusion of only two years of audited financial statements and only two years of management's discussion and analysis of financial condition and results of operations disclosure. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

Summary of Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider all information in this prospectus before purchasing our common stock. These risks and uncertainties include, but are not limited to, the following:

- Our management will have broad discretion over how we use the net proceeds we receive from sales of Advance Shares to Yorkville under the SEPA. We may not use these proceeds in ways that improve our financial condition or operating results or increase the value of your investment.

- We cannot predict how many shares we will actually sell to Yorkville under the SEPA or the gross proceeds we will receive from those sales. Because of the SEPA's limits on volume and beneficial ownership, and because a limited number of shares are being registered for resale, we may not be able to access the full $40,000,000 Commitment Amount.

- We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale, and we have a history of significant losses and expect to continue to incur significant losses for the foreseeable future.

- If we are unable to successfully complete a strategic transaction, we may be forced to cease operations altogether or file for bankruptcy protection.

- Our common stock is quoted on the OTCQB rather than listed on a national securities exchange, which may limit the liquidity and price of our common stock and our ability to raise capital.

- Our common stock is subject to the SEC's "penny stock" rules, which may make it more difficult for you to sell your shares.

- We will require substantial additional capital to finance our operations, and if we fail to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce or eliminate one or more of our research and drug development programs or future commercialization efforts.

- We have incurred significant losses and negative cash flows from operations since our inception. We may incur losses over the next several years and may never achieve or maintain profitability. These factors raise substantial doubt about our ability to continue as a going concern and we will need additional funding to continue development of our CAB technology platform and our CAB product candidates.

- We are substantially dependent on the success of our patented CAB technology platform, and our future success depends heavily on the successful development of this platform.

- Results from early-stage clinical trials may not be predictive of results from late-stage or other clinical trials, and the results of our clinical trials may not satisfy the requirements of the FDA, the European Medicine Agency or other comparable foreign regulatory authorities.

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

- The market may not be receptive to our product candidates because they are based on our novel therapeutic modality, and we may not generate any future revenue from the sale or licensing of product candidates.

- Preliminary, preplanned interim and topline data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

- Delays in the commencement and completion of clinical trials could increase costs and delay or prevent regulatory approval and commercialization of our product candidates.

- We face competition from entities that have developed or may develop product candidates for cancer, including companies developing novel treatments and technology platforms.
- We may be unable to obtain U.S. or foreign regulatory approval and, as a result, unable to commercialize our product candidates.
- Even if we receive regulatory approval for any of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense.
- There is substantial uncertainty regarding the current Administration's initiatives and how these might impact the FDA, including its implementation of laws, regulations, policies and guidance and its personnel. Similar initiatives may also be directed toward other government agencies. These initiatives could prevent, limit or delay development and regulatory review and approval of our product candidates, which would negatively impact our business.
- If we fail to attract and retain qualified senior management and key scientific personnel, our business may be materially and adversely affected.
- If we are unable to establish sales, marketing and distribution capabilities on our own or through third parties, we may not be able to market and sell our product candidates, if approved, effectively in the United States and foreign jurisdictions or generate product revenue.
- A portion of our research and development activities take place in China, and uncertainties regarding the interpretation and enforcement of Chinese laws, rules and regulations, a trade war, deterioration of international relations, or political unrest in China could materially adversely affect our business, financial condition and results of operations.
- We face risks related to health epidemics and outbreaks which could significantly disrupt our preclinical studies and could affect enrollment of patients in our clinical trials. Continuation and increasing severity of these conditions could delay or prevent our receipt of necessary regulatory approvals.
- If we fail to enter into collaborations with third parties for the development and commercialization of certain of our product candidates, or if our current and future collaborations are not successful, we may not be able to capitalize on the market potential of our patented technology platform and resulting product candidates.
- If we are not able to obtain, maintain and protect our intellectual property rights in any product candidates or technologies we develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, third parties could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market.
- Intellectual property rights of third parties could prevent or delay our drug discovery and development efforts and could adversely affect our ability to commercialize our product candidates, and we might be required to litigate or obtain licenses from third parties in order to discover, develop or market our product candidates.
- The future issuance of equity or of debt securities that are convertible into equity will dilute our share capital.
- Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval and their interests may conflict with your interests as an owner of our common stock.

THE OFFERING

Shares of common stock that may be Offered and sold by the Selling Stockholder	Up to 8,182,110 shares of our common stock, consisting of (i) up to 8,000,000 Advance Shares that we may, in our sole discretion, elect to issue and sell to the Selling Stockholder from time to time pursuant to the SEPA and (ii) up to 182,110 Commitment Shares issuable upon exercise of the Commitment Fee Warrants issued or issuable to the Selling Stockholder in payment of a portion of the commitment fee under the SEPA.
Terms of the offering	The Selling Stockholder will determine when and how it will dispose of any shares of common stock registered for resale under this prospectus.
Common stock outstanding before this offering	1,663,280 shares (as of June 30, 2026)
Common stock to be outstanding after this offering	9,845,390 shares, assuming the issuance of all 8,182,110 shares offered hereby. The actual number of shares issued will vary depending upon the actual sales under the SEPA and the number of shares issued upon exercise of the Commitment Fee Warrants.
Use of proceeds	The Selling Stockholder will receive all of the proceeds from the resale of the shares offered pursuant to this prospectus. We will not receive any of the proceeds from these resales. However, we may receive up to $40,000,000 in aggregate gross proceeds under the SEPA from sales of common stock we may elect to make to the Selling Stockholder from time to time in our discretion pursuant to the SEPA, if any. We intend to use any such net proceeds, together with existing cash and cash equivalents, primarily for working capital and other general corporate purposes and to fund our research and development efforts. See "*Use of Proceeds*" for additional information.
Risk factors	An investment in our securities involves a high degree of risk. See "*Risk Factors*" beginning on page 15 of this prospectus for a discussion of factors to consider before deciding to invest in our securities.
OTCQB symbol	Our common stock is quoted on the OTCQB under the symbol "BCAB."

Except as otherwise indicated herein, the number of shares of our common stock to be outstanding immediately after this offering is based on 1,663,280 shares of our common stock outstanding as of June 30, 2026 and 0 shares of our Class B common stock outstanding as of June 30, 2026 and excludes:

- 114,059 shares of our common stock issuable upon the exercise of stock options outstanding as of June 30, 2026 at a weighted average exercise price of $388.45 per share;

- 193,581 shares of common stock issuable upon the exercise of warrants outstanding as of June 30, 2026, at an exercise price of $4.35 per share;

- 57,404 shares of our common stock issuable pursuant to unvested restricted stock units outstanding as of June 30, 2026;

- 98,478 shares of our common stock reserved and available for future issuance as of June 30, 2026, under our equity incentive plans, consisting of (1) 39,200 shares of common stock reserved and available for issuance under our 2020 Equity Incentive Plan as of June 30, 2026 and (2) 59,278 shares of common stock reserved for issuance under our 2020 Employee Stock Purchase Plan as of June 30, 2026.

Except as otherwise indicated, all information in this prospectus reflects and assumes no purchases of Advance Shares or Commitment Shares, no issuance, exercise or settlement of stock-based awards under our 2020 Equity Incentive Plan or 2020 Employee Stock Purchase Plan and no exercise of outstanding warrants.

THE STANDBY EQUITY PURCHASE AGREEMENT

General

On October 15, 2026, we entered into the SEPA with Yorkville, pursuant to which we have the right, but not the obligation, to sell to Yorkville up to $40,000,000 (the "Commitment Amount") of our common stock, at our request at any time during the commitment period commencing on the date of the SEPA and terminating on the earlier of (i) the 36-month anniversary of the date of the SEPA and (ii) the date on which Yorkville shall have made payment of Advances (as defined below) pursuant to the SEPA for shares of common stock equal to the Commitment Amount. Sales of shares of common stock to Yorkville under the SEPA, and the timing of any such sales, are at our option, and we are under no obligation to sell any shares to Yorkville under the SEPA. The issuance and sale of shares of common stock to Yorkville under the SEPA is being made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

Advances

Upon the satisfaction of the conditions to Yorkville's purchase obligation set forth in the SEPA, including the effectiveness of a registration statement covering the resale of the shares issuable under the SEPA (which includes the registration statement of which this prospectus forms a part), we may require Yorkville to purchase shares of our common stock (each such sale, an "Advance") by delivering written notice to Yorkville (an "Advance Notice"). Each Advance may not exceed 100% of the average of the daily trading volume of our common stock on the OTCQB (or such other principal market on which our common stock is then listed or traded) during the five consecutive trading days immediately preceding the delivery of an Advance Notice (the "Maximum Advance Amount"), unless otherwise agreed in writing by us and Yorkville. There is no mandatory minimum Advance and no non-usage fee for not utilizing the Commitment Amount or any part thereof.

The shares of common stock purchased pursuant to an Advance will be purchased at a price equal to 97% of the lowest daily VWAP of our common stock during the three consecutive trading days commencing on the date the Advance Notice is delivered (the "Pricing Period"), other than the daily VWAP on any Excluded Day (as defined below). "VWAP" is defined in the SEPA as the volume weighted average price of our common stock on the principal market for such period as reported by Bloomberg L.P. through its "AQR" function. We may, in our sole discretion, specify a minimum acceptable price in an Advance Notice (the "Minimum Acceptable Price"). Each trading day during a Pricing Period on which the daily VWAP is below the Minimum Acceptable Price in effect, or on which there is no VWAP (each, an "Excluded Day"), will result in an automatic reduction of the number of shares specified in the Advance Notice by one-third and will be excluded from the Pricing Period for purposes of determining the purchase price. The number of shares in such Advance will then be automatically increased by the greater of (a) the number of shares sold by Yorkville on such Excluded Day(s), if any, and (b) the number of shares Yorkville elects to subscribe for, at a price per share equal to 97% of the Minimum Acceptable Price, provided that such increase may not cause the Advance to exceed the number of shares set forth in the Advance Notice or the limitations described below. There is no upper limit on the price per share that Yorkville could be obligated to pay for shares we elect to sell to it under the SEPA.

Upon Yorkville's receipt of a valid Advance Notice, we and Yorkville are deemed to have entered into an unconditional contract for the purchase and sale of the applicable shares, and Yorkville may sell shares of our common stock during the applicable Pricing Period. The closing of each Advance will occur as soon as practicable on or after the first trading day following the expiration of the applicable Pricing Period, at which time Yorkville will deliver a settlement document setting forth the final number of shares to be purchased and the purchase price, and we will deliver the shares electronically against payment in immediately available funds. If, during a Pricing Period, we notify Yorkville that a Material Outside Event (as defined in the SEPA) has occurred or of a Black Out Period (as described below), the pending Advance will end and the final number of shares to be purchased will equal the number of shares sold by Yorkville during the Pricing Period prior to such notice.

Limitations on Advances

Yorkville will not be obligated to purchase, and may not purchase, any shares of our common stock under the SEPA which, when aggregated with all other shares of common stock beneficially owned by Yorkville and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 thereunder), would result in Yorkville and its affiliates beneficially owning more than 4.99% of the then outstanding voting power or number of shares of our common stock (the "Ownership Limitation"). In addition, an Advance may not cause the aggregate number of shares sold to Yorkville under the SEPA to exceed the Commitment Amount, or exceed the number of shares registered under the registration statement then in effect (the "Registration Limitation"). Any portion of an Advance that would exceed the Ownership Limitation, the Commitment Amount or the Registration Limitation will automatically be withdrawn.

Our right to deliver an Advance Notice is subject to the satisfaction of certain conditions on each Advance Notice date, including, among others, the accuracy in all material respects of our representations and warranties, our payment of the portion of the Commitment Fee (as defined below) then due, the effectiveness of a registration statement permitting Yorkville to resell the shares issuable pursuant to such Advance Notice, the filing of the Current Report on Form 8-K describing the SEPA, the absence of any continuing Material Outside Event, the absence of any suspension of trading in, or removal from quotation of, our common stock, and neither we nor Yorkville being in possession of material non-public information regarding us. In addition, we may not deliver an Advance Notice during a Black Out Period or if a stockholder meeting or corporate action, or the record date for any stockholder meeting or corporate action, would fall during the period beginning two trading days prior to the delivery of such Advance Notice and ending two trading days following the closing of such Advance.

Commitment Fee

As consideration for Yorkville's execution and delivery of the SEPA, we agreed to pay Yorkville a commitment fee of $500,000 (the "Commitment Fee"), which was earned on the date of the SEPA. One-half of the Commitment Fee is payable within five days of the date of the SEPA and the remaining one-half is payable on or before December 31, 2026, in each case, at our election, either in cash or by the issuance to Yorkville of Commitment Fee Warrants exercisable for a number of shares of common stock equal to the applicable installment of the Commitment Fee divided by the average of the daily VWAPs of our common stock during the five trading days immediately prior to the date of the SEPA (for the first installment) or immediately prior to December 31, 2026 (for the second installment). Any Commitment Shares underlying Commitment Fee Warrants issued prior to the filing of the initial registration statement are required to be included in such registration statement. On October 16, 2026, we issued Commitment Fee Warrants to Yorkville exercisable for 182,110 Commitment Shares in payment of the first installment of the Commitment Fee. The Commitment Fee Warrants are being issued in reliance on Section 4(a)(2) of the Securities Act.

Registration and Black Out Periods

Under the SEPA, we agreed to file one or more registration statements for the resale by Yorkville of the shares issuable under the SEPA, at times determined in our sole discretion, and to maintain the effectiveness of any such registration statement that has been declared effective during the commitment period, subject to certain exceptions, including upon the earliest of the date Yorkville notifies us that it has completed the resale of all registrable securities, the date on which all such securities have been sold, and the date on which all such securities may be sold without restriction under Rule 144. We may not request any Advances until a registration statement has been declared effective. We may suspend the use of the registration statement during a "Black Out Period" to delay disclosure of material non-public information or to amend or supplement the registration statement or prospectus, provided that no Black Out Period may exceed 20 days or be more restrictive than comparable restrictions applicable to our directors and senior executive officers. We may not deliver an Advance Notice during a Black Out Period, and Yorkville has agreed not to sell shares under the registration statement during a Black Out Period.

Termination

Unless earlier terminated, the SEPA will terminate automatically on the earlier of (i) the 36-month anniversary of the date of the SEPA and (ii) the date on which Yorkville shall have made payment of Advances for shares of common stock equal to the Commitment Amount. We may terminate the SEPA upon five trading days' prior written notice to Yorkville, provided that there are no outstanding Advance Notices under which shares have yet to be issued and we have paid all amounts owed to Yorkville under the SEPA. We and Yorkville may also terminate the SEPA at any time by mutual written consent.

Representations and Warranties

The SEPA and related agreements contain customary representations, warranties, conditions and indemnification obligations of the parties. The representations, warranties and covenants contained in such agreements were made only for purposes of such agreements and as of specific dates, were solely for the benefit of the parties to such agreements and may be subject to limitations agreed upon by the contracting parties.

Placement Agent

In connection with the SEPA, we engaged the Placement Agent as our sole placement agent. As compensation for its services, we have agreed to pay the Placement Agent cash compensation equal to 3% of the aggregate purchase price of any Advance Shares purchased by Yorkville under the SEPA.

Effect of Sales of Our Common Stock under the SEPA on Our Stockholders

The Advance Shares and Commitment Shares being registered for resale in this offering are expected to be freely tradable. The Advance Shares may be issued and sold by us to Yorkville from time to time over a period of up to 36 months, unless the SEPA is earlier terminated. The resale by Yorkville of a significant number of shares registered for resale in this offering at any given time, or the perception that these sales may occur, could cause the market price of our common stock to decline or to be highly volatile. Sales of Advance Shares, if any, will depend upon market conditions and other factors to be determined by us, and we may ultimately decide to sell to Yorkville all, some or none of the Advance Shares. If and when we do sell Advance Shares to Yorkville, Yorkville may resell all, some or none of such shares at any time or from time to time in its discretion and at different prices. As a result, investors who purchase shares from Yorkville in this offering at different times will likely pay different prices for those shares, and so may experience different levels of dilution, and in some cases substantial dilution, and different outcomes in their investment results.

Investors may experience a decline in the value of the shares they purchase from Yorkville in this offering as a result of future sales made by us to Yorkville at prices lower than the prices such investors paid for their shares in this offering. In addition, if we sell a substantial number of shares of our common stock to Yorkville under the SEPA, or if investors expect that we will do so, the actual sales of shares or the mere existence of our arrangement with Yorkville may make it more difficult for us to sell equity or equity-related securities in the future at times and at prices that we might otherwise prefer.

Because the per share purchase price that Yorkville will pay for Advance Shares pursuant to any Advance that we may elect to effect pursuant to the SEPA will be determined by reference to the VWAP during the applicable period for such Advance on the date upon which such Advance Shares were purchased, as of the date of this prospectus, we cannot determine the actual purchase price per share that Yorkville will be required to pay for any Advance Shares that we may elect to sell to Yorkville under the SEPA and, therefore, we cannot be certain how many Advance Shares, in the aggregate, we may issue and sell to Yorkville under the SEPA.

As of October 16, 2026, there were 1,668,261 shares of our common stock outstanding. If all of the 8,182,110 shares offered for resale by Yorkville under this prospectus were issued and outstanding as of such date, such shares would represent approximately 490.5% of the total number of shares of our common stock outstanding. Although the SEPA provides that we may sell up to $40,000,000 of our common stock to Yorkville, only 8,000,000 Advance Shares are being registered for resale by Yorkville under the registration statement that includes this prospectus. Depending on the market prices of our common stock at the time we elect to sell Advance Shares, we may need to file with the SEC one or more additional registration statements to register the resale by

Yorkville of additional shares, which the SEC must declare effective before we may sell any such additional shares to Yorkville. The issuance of our common stock to Yorkville will not affect the rights or privileges of our existing stockholders, except that the economic and voting interests of each of our existing stockholders will be diluted.

The number of shares of common stock ultimately offered for resale by Yorkville through this prospectus is dependent upon the number of shares of common stock, if any, we elect to sell to Yorkville under the SEPA. The issuance of our common stock to Yorkville pursuant to the SEPA will not affect the rights or privileges of our existing stockholders, except that the economic and voting interests of each of our existing stockholders will be diluted. Although the number of shares of our common stock that our existing stockholders own will not decrease, the shares of our common stock owned by our existing stockholders will represent a smaller percentage of our total outstanding shares of our common stock after any such issuance.

RISK FACTORS

An investment in our common stock involves significant risks. Before making an investment in our common stock, you should carefully read all of the information contained in this prospectus and any applicable prospectus supplement. For a discussion of risks that you should carefully consider before deciding to purchase any of our common stock, please review the risk factors disclosed below, together with the other information in this prospectus and any applicable prospectus supplement. Any of these risks, as well as additional risks not currently known to us or that we currently deem immaterial, may adversely affect our business, financial condition, results of operations, and prospects, resulting in a decline in the trading price of our common stock and loss of all or part of your investment.

Risks Relating to this Offering

Our management will have broad discretion over the actual amount and timing of the expenditures of the proceeds we receive in this offering and might not apply these proceeds in ways that enhance our financial condition or operating results or increase the value of your investment.

We intend to use the net proceeds we receive from sales of Advance Shares under the SEPA, if any, together with existing cash and cash equivalents, primarily for working capital and other general corporate purposes and to fund our research and development efforts. This expected use of our net proceeds represents our intentions based upon our current plans and business conditions. The amount and timing of our actual expenditures may vary significantly depending on numerous factors, including the expenses related to our clinical and preclinical trials, the expenses related to any potential commercialization, as well as any strategic transactions that we may enter into with third parties, and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of such net proceeds and could spend the proceeds in ways that do not necessarily improve our financial condition or operating results or enhance the value of our common stock. Additionally, until the net proceeds we receive are used, they may be placed in investments that do not produce income or that lose value. See "*Use of Proceeds*" for additional information.

It is not possible to predict the actual number of shares we will sell under the SEPA to Yorkville, or the actual gross proceeds resulting from those sales. Further, we may not have access to the full amount available under the SEPA.

We generally have the right to control the timing and amount of any sales of our common stock to Yorkville under the SEPA, and sales, if any, will depend upon market conditions and other factors to be determined by us. Because the purchase price per share that Yorkville will pay will fluctuate based on the market prices of our common stock during each Pricing Period, it is not possible for us to predict the number of shares we will sell to Yorkville, the purchase price per share or the aggregate gross proceeds we will receive. Although the SEPA provides that we may sell up to $40,000,000 of our common stock to Yorkville, the actual gross proceeds from the sale to Yorkville of such shares of common stock may be substantially less than $40,000,000, which could materially adversely affect our liquidity. 8,182,110 shares are being registered for resale under this registration statement that includes this prospectus, and unless there is a significant increase in the market price of our common stock, we may be required to file one or more additional registration statements to register additional shares, which must be declared effective by the SEC, in order to access the full Commitment Amount. In addition, the size of each Advance is limited to 100% of the average daily trading volume of our common stock during the five trading days preceding the Advance Notice, and Yorkville may not purchase shares that would cause it to beneficially own more than 4.99% of our outstanding common stock. Because our common stock is quoted on the OTCQB, where trading volume may be limited, these limitations may significantly restrict the amount we are able to raise under the SEPA at any given time.

The sale and issuance of our common stock to Yorkville will cause dilution to our existing stockholders, and the sale of the shares of common stock acquired by Yorkville, or the perception that such sales may occur, could cause the price of our common stock to fall.

The price of our common stock could decline and be volatile if there are substantial sales of shares of our common stock, if there is a large number of shares of our common stock available for sale, or if there is the perception that these sales could occur. Yorkville may resell under this prospectus up to 8,182,110 shares of common stock, consisting of up to 8,000,000 Advance Shares that we may, in our sole discretion, elect to sell to Yorkville from time to time pursuant to the SEPA and up to 182,110 Commitment Shares. If all of such shares were issued and outstanding as of October 16, 2026, they would represent approximately 490.5% of our outstanding common stock. Any issuances of shares under the SEPA will dilute the percentage ownership of our stockholders and may dilute the per share projected earnings (if any) or book value of our common stock. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline and may make it more difficult for you to sell your shares, and for us to sell equity or equity-related securities in the future, at a time and price that you or we deem appropriate.

Investors who buy shares of common stock from Yorkville at different times will likely pay different prices.

Subject to certain limitations in the SEPA and compliance with applicable law, we will have discretion to vary the timing, prices and numbers of Advance Shares sold to Yorkville. The number of Advance Shares that are sold to Yorkville after delivering an Advance Notice will fluctuate based on a number of factors, including the market price of our common stock during the Pricing Period and the occurrence of any Excluded Days.

If and when we do elect to sell Advance Shares to Yorkville pursuant to the SEPA, Yorkville may resell all, some or none of such shares at any time or from time to time in its discretion and at different prices. As a result, investors who purchase shares from Yorkville in this offering at different times will likely pay different prices for those shares, and so may experience different levels of dilution and in some cases substantial dilution and different outcomes in their investment results. In addition, investors may experience a decline in the value of the shares they purchase from Yorkville in this offering as a result of future sales made by us to Yorkville at prices lower than the prices such investors paid for their shares in this offering.

Our common stock is quoted on the OTCQB rather than listed on a national securities exchange, which may limit the liquidity and price of our common stock and our ability to raise capital.

Our common stock is quoted on the OTCQB under the symbol “BCAB” and is not listed on a national securities exchange. Securities quoted on the OTCQB generally experience lower trading volume, wider bid-ask spreads and greater price volatility than securities listed on a national securities exchange, and an active and liquid trading market for our common stock may not develop or be sustained. Limited liquidity in our common stock may restrict the size of Advances we are able to make under the SEPA and impair our ability to raise capital on acceptable terms, or at all. We cannot assure you that our common stock will be listed on a national securities exchange in the future or that, if listed, we would be able to satisfy the applicable continued listing requirements of such exchange. Furthermore, to maintain the quotation of our common stock on the OTCQB, we must continue to satisfy the OTCQB’s eligibility standards, including a minimum bid price requirement, and if we fail to do so our common stock may be moved to a lower tier of the OTC Markets, which could further reduce the liquidity and market price of our common stock.

Our common stock is subject to the SEC’s “penny stock” rules, which may make it more difficult for you to sell your shares.

Our common stock is subject to the SEC’s “penny stock” rules, which apply to equity securities that are not listed on a national securities exchange and that do not satisfy specified price or financial thresholds. Under these rules, a broker-dealer must deliver a standardized risk disclosure document before effecting a transaction, make a suitability determination for the customer, obtain the customer’s written consent and provide monthly account statements. These disclosure and other requirements may discourage broker-dealers from effecting transactions in our common stock and may reduce the level of trading activity in the secondary market for our common stock.

Risks related to the formal process to explore and evaluate strategic options

We have initiated a formal process to explore and evaluate strategic options, and there is no guarantee that this strategic path will be successful.

We are exploring and evaluating strategic options to maximize shareholder value, including sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. We expect to devote substantial time and resources to exploring such strategic options; however, there is no set time frame and there can be no assurance that such activities will result in any agreements or transactions that will enhance shareholder value. Evaluating a strategic option may divert the attention of our management from ordinary operating matters. The identification, negotiation and completion of any such transaction may also require more time and cash resources than we anticipate. In addition, potential strategic options that require stockholder approval may not be approved by our stockholders.

There can be no assurance that our process to identify and evaluate potential strategic options will result in any definitive offer to consummate a strategic transaction, or if made that the terms thereof will be acceptable to us. If any definitive offer to consummate a strategic transaction is received, there can be no assurance that a definitive agreement will be executed or that, if a definitive agreement is executed, the transaction will be consummated. In addition, there can be no assurance that any transaction involving us and/or our assets that is consummated would enhance shareholder value.

If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks, including increased near-term or long-term expenditures, exposure to unknown liabilities, incurrence of substantial debt, higher-than-expected acquisition and integration costs, write-downs of assets or impairment charges and increased amortization expenses. If a strategic transaction is not completed, we may be subject to a number of material risks or suffer a number of consequences that may adversely affect our business, financial results and operations.

If we are unable to successfully complete a strategic transaction, we may be forced to cease operations altogether or file for bankruptcy protection.

There can be no assurance that any of our plans will be successful or that additional capital will be available to us on reasonable terms, or at all, when needed or that we will successfully complete a strategic transaction. If we are unable to obtain sufficient additional capital or to conclude a successful strategic transaction, we may be forced to defer, reduce or eliminate significant planned expenditures, dispose of technology or assets including intangible assets, conclude a strategic transaction that is unfavorable to stockholders, enter into arrangements that may require us to relinquish rights to certain of our products or product candidates, technologies or potential markets, delay or stop ongoing clinical trials, cease operations altogether or file for bankruptcy protection.

Our board of directors remains dedicated to diligently deliberating upon and making informed decisions that the directors believe are in the best interests of the Company and its stockholders. There can be no assurance, however, that our current strategic direction, or our board of director's evaluation of strategic options, will result in any initiatives, agreements, transactions or plans that will further enhance shareholder value.

In addition, given the current restructuring of our operations and recent workforce reduction, it may be difficult to evaluate our current business and future prospects on the basis of historical operating performance.

We may not realize any additional value in a strategic transaction.

Potential counterparties in a strategic transaction involving the Company may place minimal or no value on our assets. Further, the development and any potential commercialization of our product candidates will require substantial additional cash to fund the costs associated with conducting the necessary preclinical and clinical testing and obtaining regulatory approval. Consequently, any potential counterparty in a strategic transaction

involving the Company may choose not to spend additional resources for the development of our product candidates and may attribute little or no value, in such a transaction, to those product candidates.

If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks.

Although there can be no assurance that a strategic transaction will result from the process we have undertaken to identify and evaluate strategic options, the negotiation and consummation of any such transaction will require significant time on the part of our management, and the diversion of management's attention may disrupt our business. The negotiation and consummation of any such transaction may also require more time or greater cash resources than we anticipate and expose us to other operational and financial risks, including:

- inability to retain our key employees;
- increased near-term and long-term expenditures;
- exposure to unknown liabilities;
- higher than expected acquisition or integration costs;
- incurrence of substantial debt or dilutive issuances of equity securities to fund future operations;
- write-downs of assets or incurrence of non-recurring, impairment or other charges;
- increased amortization expenses; and
- possibility of future litigation.

Any of the foregoing risks could have a material adverse effect on our business, financial condition and prospects.

We may not fully realize the expected cost savings and/or operating efficiencies from our restructuring activities and our ability to consummate a strategic transaction depends on our ability to retain our employees required to consummate such transaction.

On March 2, 2026, we announced that we have initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. In connection with the evaluation of strategic alternatives, we have implemented a restructuring plan that included a workforce reduction of approximately 70%.

We believe that these changes were needed to streamline our organization and reallocate our resources to better align with our current strategic goals, including our current focus on pursuing strategic options. However, these expense reduction measures have and may continue to yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond our intended reductions in workforce, and the risk that we may not achieve the anticipated benefits, all of which may have an adverse effect on our results of operations or financial condition.

Our ability to consummate a strategic transaction depends upon our ability to retain our employees required to consummate such a transaction, the loss of whose services may adversely impact the ability to consummate such transaction. In view of our ongoing strategic process, on September 24, 2026, our board of directors approved a partial reinstatement of our previously disclosed retention bonus program for Jay M. Short, Ph.D., our Chief Executive Officer, and Christian Vasquez, our Chief Financial Officer, which provides for cash payouts contingent upon the achievement of certain financial and capital raising milestones by December 31, 2026, with target retention bonus amounts of $440,892 for Dr. Short and $148,888 for Mr. Vasquez, representing 60% and 40% of their respective annual base salaries. Our board of directors also approved cash performance bonus opportunities for Dr. Short and Mr. Vasquez, with target amounts of $220,000 and $75,000, respectively, contingent upon the achievement of certain financial and capital raising milestones by March 31, 2027. Each of these bonuses requires the executive to be employed by us and in good standing on the applicable payout date. However, the milestones underlying our prior retention bonus program were not achieved, and there can be no assurance that these milestones will be achieved or that these arrangements will be sufficient to retain our key employees. There is no set timetable for the process we have initiated to explore strategic options and there can be no assurance that this process will result in the Company pursuing a transaction or that any transaction, if pursued, will be completed on attractive terms. If we are unable to complete a transaction, we may be required to seek a reorganization, liquidation or other restructuring. In addition, our cash conservation activities, as well as the announcement that we are seeking strategic options, may yield unintended consequences.

Transactions that we have previously entered into may be re-evaluated or restructured as part of the strategic process, and there can be no assurance that clinical development of our programs will not be limited or delayed as a result of the strategic process.

As part of the strategic process, transactions we have previously entered into may be re-evaluated or restructured. For example, the previously announced transaction with Inversagen AI, LLC is being re-evaluated and may not close, or if it does close, may close on materially different terms than originally contemplated. As a result, we may fail to realize the anticipated benefits of such transactions, which could adversely affect our research and development capabilities, competitive position and long-term business prospects.

In addition, there can be no assurance that clinical development of our programs will not be limited or delayed as a result of the strategic process. We are actively re-evaluating the timing and scope of our clinical development programs, and clinical trial timelines have been adjusted, extended or paused pending the outcome of the strategic process. Any such limitation, delay or suspension of our clinical development activities could harm our ability to advance our product candidates, generate meaningful clinical data and achieve key development milestones on a timely basis, or at all.

Risks related to our financial position and need for additional capital

We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale. We have a history of significant losses and we expect to continue to incur significant losses for the foreseeable future, which together with our limited operating history, makes it difficult to assess our future viability.

We are a Phase 2 clinical-stage biopharmaceutical company with a limited operating history upon which you can evaluate our business and prospects. We have no products approved for commercial sale and have not generated any revenue from product sales. Since the commencement of our operations, we have focused substantially all of our resources on conducting research and development activities, including drug discovery, preclinical studies and clinical trials of our product candidates, including the Phase 2 clinical trials of mecbotamab vedotin (BA3011), ozuriftamab vedotin (BA3021), evalstotug (BA3071), and the ongoing Phase 1 clinical trial of BA3182 (CAB-EpCAM x CAB-CD3), establishing and maintaining our intellectual property portfolio, manufacturing clinical and research material through third parties, hiring personnel, establishing product development and commercialization collaborations with third parties, raising capital and providing general and administrative support for these operations. We have not yet demonstrated our ability to successfully obtain marketing approvals, manufacture a commercial-scale product or arrange for a third party to do so on our behalf or conduct sales and marketing activities necessary for successful product commercialization. As a result, it may be more difficult for you to assess our future viability than it could be if we had a longer operating history.

We have incurred significant losses to date. Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our current and future product candidates. Our net losses were $59.6 million and $69.8 million for the years ended December 31, 2025 and 2024, respectively. For the six months ended June 30, 2026 and 2025, our net losses were $5.9 million and $34.0 million, respectively. As of June 30, 2026, we had an accumulated deficit of $551.5 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 meaningful revenue from product sales for the foreseeable future, and we expect to continue to incur significant operating expenses for the foreseeable future due to the cost of research and development, including identifying and designing product candidates and conducting preclinical studies and clinical trials, and the regulatory approval process for our product candidates. In the near term, we expect that these expenses will begin to decrease as we complete certain clinical trials, however, these expenses, and the potential for losses, may generally increase as we progress our lead product candidates through the regulatory approval process. We also expect that our expenses will vary as a result of macroeconomic factors, including inflation. For example, recently, several of our vendors have passed along price increases they have experienced in their own business as a result of inflation.

However, the amount of our future expenses and potential losses is uncertain. Our ability to achieve profitability, if ever, will depend on, among other things, our successfully developing product candidates, obtaining regulatory approvals to market and commercialize product candidates, manufacturing any approved products on commercially reasonable terms and potentially establishing a sales and marketing organization or suitable third-

party alternatives to commercialize any approved product. If we, or our existing or future collaborators, are unable to develop and commercialize one or more of our product candidates or if sales revenue from any product candidate that receives approval is insufficient, we will not achieve profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We will require substantial additional capital to finance our operations. If we are unable to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce or eliminate one or more of our research and drug development programs or future commercialization efforts.

The development of biopharmaceutical products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. Our operations have consumed substantial amounts of cash since inception, and we will continue to incur significant expenses in connection with our ongoing activities, particularly as we conduct clinical trials of, and seek marketing approval for mecbotamab vedotin, ozuriftamab vedotin, evalstotug, and BA3182. Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with sales, marketing, manufacturing and distribution activities. Our expenses could increase beyond expectations if we are required by the FDA, the EMA or other comparable foreign regulatory authorities to perform clinical trials or preclinical studies in addition to those that we currently anticipate. Other unanticipated costs may also arise. Because the design and outcome of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amount of resources and funding that will be necessary to successfully complete the development and commercialization of any product candidate we develop. Accordingly, we will need to obtain substantial additional funding in order to continue our operations.

Advancing the development of our product candidates will require a significant amount of capital. Our existing cash and cash equivalents are not sufficient to fund any of our product candidates through regulatory approval. Because the length of time and activities associated with successful research and development of any individual product candidate are highly uncertain, we are unable to estimate the actual funds we will require for development, marketing approval and commercialization activities. The timing and amount of our operating expenditures will depend largely on:

- the timing and outcome of our recently initiated evaluation of strategic options;
- the timing and progress of our ongoing and planned clinical trials;
- the number and scope of preclinical and clinical programs we decide to pursue;
- the progress of our collaborators with whom we have entered, or may in the future enter, into collaboration agreements and research and development agreements;
- our ability to maintain our current licenses, collaboration and research and development programs or possibly establish new collaboration arrangements;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims;
- the cost and timing of regulatory approvals; and
- our efforts to enhance operational systems and attract and retain personnel, including personnel to support development of our product candidates and satisfy our obligations as a public company.

If we are unable to obtain funding on a timely basis, including under our current or future collaborations, or on acceptable terms, we may have to wind down the company, delay, reduce or terminate further development of our CAB technology platform and CAB product candidates, limit strategic opportunities or undergo reductions in our workforce or other corporate restructuring activities. 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. We cannot assure you that such financing will be available at acceptable terms to us, if at all. Failure to generate sufficient cash flows from operations, raise additional capital, and reduce discretionary spending should additional capital not become available could have a material adverse effect on our ability to achieve our intended business objectives. To the extent that we raise additional capital through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates. We may also have to forego future revenue streams of

research programs at an earlier stage of development or on less favorable terms than we would otherwise choose or have to grant licenses on terms that may not be favorable to us. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. Our financial condition could be adversely affected by general conditions in the global economy and in the global financial markets. For example, global financial crises have caused extreme volatility and disruptions in the capital and credit markets. If banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition. A severe or prolonged economic downturn, such as a global financial crisis, could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. 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 financings, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, licensing product rights, entering into product development collaborations, acquiring other businesses, products or technology or declaring dividends. If we are unable to obtain additional funding from these or other sources, it may be necessary to significantly reduce our rate of spending through reductions in staff and delay, scale back or stop certain research and development programs.

We have incurred significant losses and negative cash flows from operations since our inception. We may incur losses over the next several years and may never achieve or maintain profitability. Without taking other actions, these factors raise substantial doubt about our ability to continue as a going concern and we will need additional funding to continue development of our CAB technology platform and our CAB product candidates.

We are exploring and evaluating strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. We may be forced to wind-down our operations if we are unable to consummate a strategic transaction and/or obtain sufficient funding.

As of June 30, 2026, we had approximately $1.5 million in cash and cash equivalents. Based on our current operating plan, and along with our history of operating losses, our current cash and cash equivalents are not sufficient to fund our ongoing operations for a period of at least twelve months from the date the condensed consolidated financial statements included in this report are issued, and these circumstances raise substantial doubt about our ability to continue as a going concern. Our estimate as to how long we expect our existing cash and cash equivalents to be able to continue to fund our operations is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned.

We expect to finance our future cash needs through equity or debt financings, strategic collaborations transactions, or a combination of these approaches. However, there can be no assurance that we will be successful in acquiring additional funding at levels sufficient to fund our operations or on terms favorable or acceptable to us, if at all. In addition, our ability to raise additional funds may be adversely impacted by negative global economic conditions and any disruptions to and volatility in the credit and financial markets in the United States and worldwide or other factors. If we are unable to obtain adequate financing when needed or on terms favorable or acceptable to us, we may be forced to wind down the company, delay, reduce the scope of or eliminate one or more of our research and development programs. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities by us, whether equity or debt, or the market perception that such issuances are likely to occur, could cause the market price of our common stock to decline. If we are unable to raise sufficient capital when needed, our business, financial condition and results of operations will be harmed, and we will need to significantly modify our operational plans to continue as a going concern. If we are unable to continue as a going concern, we might have to liquidate our assets and the values we receive for our assets in

liquidation or dissolution could be significantly lower than the values reflected in our condensed consolidated financial statements.

Any additional capital raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current and future product candidates, if approved. The perception that we might be unable to continue as a going concern may also make it more difficult to obtain financing for the continuation of our operations on terms that are favorable to us, or at all, and could result in the loss of confidence by investors and employees.

We invest a portion of our cash in a money market fund, which is vulnerable to market-specific risks that could adversely affect our business and financial condition.

We invest a portion of our cash in a money market fund backed by U.S. government securities. All securities are subject to risk, including fluctuations in interest rates, credit risk, market risk and systemic economic risk. Changes or movements in any of these investment-related risk items may result in a loss or impairment to our invested cash and may have a material adverse effect on our business and financial condition.

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

Our current product candidates are in various stages of development. Our product candidates may fail in development or suffer delays that adversely affect their commercial viability. If we or our existing or future collaborators are unable to complete development of, obtain regulatory approval for or commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.

We have no products on the market and our product candidates are in various stages of development. We have completed clinical trials of mecbotamab vedotin, ozuriftamab vedotin, and evalstotug, and are continuing patient treatment and follow-up in a Phase 1 trial of BA3182. Various other product candidates are in earlier stages of development. Our ability to achieve and sustain profitability depends on obtaining regulatory approvals for and, if approved, successfully commercializing our product candidates, either alone or with third parties. Before obtaining regulatory approval for the commercial distribution of our product candidates, we or an existing or future collaborator must conduct extensive preclinical tests and clinical trials to demonstrate the safety, efficacy, purity and potency of our product candidates. Any product candidate can unexpectedly fail at any stage of preclinical or clinical development and the historical failure rate for product candidates is high. The results from preclinical testing of a product candidate may not predict the results that will be obtained in later clinical trials of the product candidate. We or our existing or future collaborators may experience issues that delay or prevent clinical testing and regulatory approval of, or our ability to commercialize, product candidates, including, among others:

- delays in our clinical trials resulting from external factors including global conflicts and health epidemics;
- negative or inconclusive results from preclinical testing or clinical trials leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- unforeseen safety issues, including occurrence of treatment emergent adverse events (“TEAEs”) associated with the product candidate that are viewed to outweigh the product candidate’s potential benefits or to expose participants in clinical trials to an unreasonable and significant risk of illness or injury at an effective dose;
- side effects experienced by participants in clinical trials or by individuals using therapeutic biologics that share characteristics with our product candidates;
- delays in submitting INDs or comparable foreign applications or delays or failure in obtaining the necessary approvals from regulators or institutional review boards (“IRBs”), to commence a clinical trial, or a suspension or termination of a clinical trial, including a clinical hold issued by a regulator, once commenced;
- conditions imposed by the FDA or comparable foreign authorities, including the EMA, regarding the scope or design of clinical trials;
- delays in enrolling patients in clinical trials;

- high drop-out rates of patients;
- inadequate drug materials or other supplies necessary for the conduct of our clinical trials;
- inability to obtain alternative sources of supply for which we have a single source for product candidate components or materials, if necessary;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials;
- unfavorable FDA or other regulatory authority inspection and review of a clinical trial site;
- deficiencies in our third-party manufacturers' manufacturing processes or facilities;
- success or further approval of competitor products approved in indications in which we undertake development of our product candidates, which may change the standard of care or change the standard for approval of our product candidates in our proposed indications;
- failure of any third-party contractors, investigators or contract research organizations ("CROs"), to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our technology or product candidates in particular; or
- varying interpretations of data by the FDA and comparable foreign regulatory authorities, including the EMA.

Because CABs represent a new generation of antibodies, a delay or failure in development of any CAB product candidate could represent a major set-back for our patented technology platform and for our company generally.

Results from early-stage clinical trials may not be predictive of results from late-stage or other clinical trials, and the results of our clinical trials may not satisfy the requirements of the FDA, EMA or other comparable foreign regulatory authorities.

Positive and promising results from preclinical studies and early-stage clinical trials may not be predictive of results from late-stage clinical trials or from clinical trials of the same product candidates for the treatment of other indications. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. Late-stage clinical trials could differ in significant ways from early-stage clinical trials, including changes to inclusion and exclusion criteria, efficacy endpoints, dosing regimen and statistical design.

Moreover, success in clinical trials in a particular indication does not guarantee that a product candidate will be successful for the treatment of other indications. Many companies in the biopharmaceutical industry have suffered significant setbacks in late-stage clinical trials after achieving encouraging or positive results in early-stage development. We cannot assure you that we will not face similar setbacks in our ongoing or planned clinical trials or in any subsequent or post-marketing confirmatory clinical trials. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA, EMA or comparable foreign regulatory authority approval. We cannot guarantee that the FDA will agree with our clinical trial plans, and we cannot assure you that the FDA will agree that the results from our trials will be sufficient to support approval of any of our product candidates. For example, the objective response rates on our primary endpoints may not be sufficient, we may not demonstrate a sufficient duration of response, or there may be limitations with the total sample size of our studies and dose selection strategy. Recently, the FDA has increasingly scrutinized oncology clinical trial results where a substantial portion of the enrollment took place outside the U.S. on the basis that the results from these sites are not applicable to the U.S. population due at least in part to choice of comparator. While we intend to enroll sufficient numbers of U.S. patients to address these concerns, the FDA may disagree and question the applicability of the clinical trial results to the U.S. population. To the extent that the results of the trials are not satisfactory to the FDA, EMA or comparable foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. Even

if regulatory approval is secured for any of our product candidates, the terms of such approval may limit the scope and use of our product candidate, which may also limit its commercial potential. Furthermore, the approval policies or regulations of the FDA, EMA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval, which may lead to the FDA, EMA or comparable foreign regulatory authorities delaying, limiting or denying approval of our product candidates.

Furthermore, there have been in the past, and may be in the future, investigator-initiated clinical trials using our investigational products. We do not control the design or administration of these or any other investigator-initiated trials that may be conducted, nor the submission or approval of any IND or foreign equivalent required to conduct any such trials. Any investigator-initiated trials could, depending on the actions of such third parties, jeopardize the validity of the clinical data generated, identify significant concerns with respect to our product candidates that could impact our findings or clinical trials, and adversely affect our ability to obtain marketing approval from the FDA, EMA or comparable foreign regulatory authorities. To the extent the results of these or other investigator-initiated trials are inconsistent with, or different from, the results of our ongoing or planned company-sponsored trials or raise concerns regarding our product candidates, the FDA or a comparable foreign regulatory authority may question the results of the company-sponsored trial, or subject such results to greater scrutiny than it otherwise would. In these circumstances, the FDA or such foreign regulatory authorities may require us to obtain and submit additional clinical data, which could delay clinical development or marketing approval of our product candidates. In addition, while investigator-initiated trials could be useful to inform our own clinical development efforts, there is no guarantee that we will be able to use the data from these trials to support regulatory approval of our product candidates.

We are substantially dependent on the success of our patented CAB technology platform, and our future success depends heavily on the successful development of this platform.

We use our CAB technology platform to develop product candidates for cancer. Any failures or setbacks involving our CAB technology platform, including adverse events, could have a detrimental impact on all of our product candidates and our research pipeline. For example, we may uncover a previously unknown risk associated with CABs or other issues that may be more problematic than we currently believe, which may prolong the period of observation required for obtaining, necessitate additional clinical testing or result in the failure to obtain, regulatory approval. If our CAB technology is not safe in certain product candidates, we could be required to abandon or redesign all of our current product candidates, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be successful in our efforts to use and expand our patented CAB technology platform to continue to build a pipeline of product candidates and develop marketable products.

We have used our patented technology platform to develop CABs in oncology indications with our lead product candidates mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and other preclinical product candidates. We may also in the future continue to build our pipeline of CAB product candidates. Our business depends not only on our ability to successfully develop, obtain regulatory approval for, and commercialize the product candidates we currently have in clinical and preclinical development, but to continue to generate new product candidates through our platform. Even if we are successful in continuing to build our pipeline and further progress the clinical development of our current product candidates, any additional product candidates may not be suitable for clinical development, including as a result of harmful side effects, manufacturing issues, limited efficacy or other characteristics that indicate that they are unlikely to be products that will succeed in clinical development, receive marketing approval or achieve market acceptance. If we cannot validate our technology platform by successfully commercializing CAB product candidates, we may not be able to obtain product, licensing or collaboration revenue in future periods, which would adversely affect our business, financial condition, results of operations and prospects.

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

As a result of our limited financial and managerial resources, we must make strategic decisions as to which targets and product candidates to pursue and may forego or delay pursuit of opportunities with other targets or product candidates or for other indications that later prove to have greater commercial potential. For example, we are exploring potential strategic collaboration with third parties to accelerate development of certain assets. In addition, we may decide to further prioritize development of certain programs and certain indications. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Failure to properly assess potential product candidates could result in our focus on product candidates with low market potential, which would harm our business, financial condition, results of operations and prospects. Our spending on current and future research and development programs and product candidates for specific targets or indications may not yield any commercially viable products. Our understanding and evaluation of biological targets for the discovery and development of new CAB product candidates may fail to identify challenges encountered in subsequent preclinical and clinical development. If we do not accurately evaluate the likelihood of clinical trial success, commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product 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.

If the market opportunities for any product that we develop are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

We focus our product candidate development on therapeutic CAB antibodies for the treatment of various oncology indications, such as sarcoma, NSCLC, melanoma, colorectal carcinoma, and head and neck cancer among others. Our projections of addressable patient populations that may benefit from treatment with our product candidates are based on our estimates. These estimates, which have been derived from a variety of sources, including scientific literature, surveys of clinics, physician interviews, patient foundations and market research, may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these cancers. Additionally, the potentially addressable patient population for our product candidates may not ultimately be amenable to treatment with our product candidates. Our market opportunity may also be limited by future competitor treatments that enter the market. If any of our estimates prove to be inaccurate, the market opportunity for any product candidate that we or our strategic partners develop could be significantly diminished and have an adverse material impact on our business.

The market may not be receptive to our product candidates because they are based on our novel therapeutic modality, and we may not generate any future revenue from the sale or licensing of product candidates.

The product candidates that we are developing are primarily based on our patented CAB technology platform, which uses new technologies to create our novel therapeutic approach. Market participants with significant influence over acceptance of new treatments, such as physicians and third-party payors, may not adopt a product or treatment based on our patented technology platform, and we may not be able to convince patients, the medical community and third-party payors to accept and use, or to provide favorable reimbursement for, any product candidates developed by us or our existing or future collaborators. Market acceptance of our product candidates will depend on, among other factors:

- the timing of our receipt of any marketing and commercialization approvals;
- the terms of any approvals and the countries in which approvals are obtained;
- the safety and efficacy of our product candidates;
- the prevalence and severity of any adverse side effects associated with our product candidates;
- limitations or warnings contained in any labeling approved by the FDA, EMA or comparable foreign regulatory authorities;
- the willingness of patients to obtain new biopsies or consent to provide existing tumor tissue specimens;
- relative convenience and ease of administration of our product candidates;
- the willingness of patients to accept any new methods of administration;

- the success of any physician education programs;
- the availability of adequate government and third-party payor reimbursement;
- the pricing of our products, particularly as compared to alternative treatments; and
- availability of alternative effective treatments for the disease indications our product candidates are intended to treat and the relative risks, benefits and costs of those treatments.

If any product candidate we commercialize fails to achieve market acceptance, it could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Preliminary, preplanned interim and topline data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary, preplanned interim or topline data from our clinical trials. These data and related findings and conclusions may only reflect certain endpoints rather than all endpoints and are subject to change. For example, we may report tumor responses in certain patients that are unconfirmed at the time and which do not ultimately result in confirmed responses to treatment after follow-up evaluations. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data 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, topline data should be viewed with caution until the final data are available. In addition, we may report preplanned interim analyses of the clinical trials we may complete, which are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse changes between interim data and final data could significantly harm our business and prospects. Further, additional disclosure of interim data by us or by our competitors in the future could result in volatility in the price of our common stock.

In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically selected from a more extensive amount of available information. You or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. If the preliminary preplanned interim or topline data that we report differ from later, final or actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize our product candidates may be harmed, which could harm our business, financial condition, results of operations and prospects.

Delays in the commencement and completion of clinical trials could increase costs and delay or prevent regulatory approval and commercialization of our product candidates.

We cannot guarantee that clinical trials of our product candidates will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of the clinical trial process, and other events may cause us to temporarily or permanently stop a clinical trial. Events that may prevent successful or timely commencement and completion of clinical development include:

- negative preclinical data;
- delays in receiving the required regulatory clearance from the appropriate regulatory authorities to commence clinical trials or amend clinical trial protocols, including any objections to our INDs or protocol amendments from the FDA;
- delays in reaching, or a failure to reach, a consensus with regulatory authorities on study design;

- delays in reaching, or failure to reach, agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;

- difficulties in obtaining IRB approval at each site;

- challenges in recruiting suitable patients to participate in a trial;

- the inability to enroll a sufficient number of patients in clinical trials to ensure adequate statistical power to detect statistically significant treatment effects;

- difficulties in having patients complete a trial or return for post-treatment follow-up;

- our CROs or clinical trial sites failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, deviating from the protocol or dropping out of a clinical trial;

- unforeseen safety issues, including occurrence of TEAEs associated with the product candidate that are viewed to outweigh the product candidate's potential benefits or to expose participants in clinical trials to an unreasonable and significant risk of illness or injury;

- difficulties in adding new clinical trial sites;

- ambiguous or negative interim results;

- lack of adequate funding to continue the clinical trial;

- difficulties in manufacturing sufficient quantities of product candidate acceptable for use in clinical trials in a timely manner, or at all; or

- health epidemics and outbreaks, which in the past has resulted in, and in the future may result in, delays to patient enrollment, patients discontinuing their treatment or follow up visits or changes to trial protocols.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board ("DSMB"), for such trial or by the FDA or comparable foreign regulatory authorities. Such authorities may impose such a suspension or termination, including by the imposition of a clinical hold, due to several factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or comparable foreign regulatory authorities, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed or lost. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition, results of operations and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may delay, limit or prevent regulatory approval. Our clinical trial results may not be successful, or even if successful, may not lead to regulatory approval.

Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be made more difficult or rendered impossible by multiple factors outside our control.

We may encounter delays or difficulties in enrolling, or be unable to enroll, a sufficient number of patients to complete any of our clinical trials on our current timelines, or at all, and even once enrolled, we may be unable to retain a sufficient number of patients to complete any of our trials. Enrollment in our clinical trials may be slower than we anticipate, leading to delays in our development timelines.

Patient enrollment and retention in clinical trials depends on many factors, including the size and nature of the patient population, the nature of the trial protocol, our ability to recruit clinical trial investigators with the appropriate competencies and experience, delays in enrollment due to travel or quarantine policies, or other factors

related to health epidemics or pandemics, the existing body of safety and efficacy data with respect to the study drug, the number and nature of competing treatments and ongoing clinical trials of competing drugs for the same indication, the proximity of patients to clinical sites, the eligibility criteria for the trial and the proportion of patients screened that meets those criteria, including criteria related to biomarkers, our ability to obtain and maintain patient consents, including any additional consents necessary for enrollment of adolescent patients, and our ability to successfully complete prerequisite studies before enrolling certain patient populations. Furthermore, any negative results or new safety signals we may report in clinical trials of our product candidates may make it difficult or impossible to recruit and retain patients in other clinical trials we are conducting. Similarly, results reported by our competitors about their drug candidates may negatively affect patient recruitment in our clinical trials. Also, marketing authorization of competitors in this same class of drugs may impair our ability to enroll patients into our clinical trials, delaying or potentially preventing us from completing recruitment of one or more of our trials.

Delays or failures in planned patient enrollment or retention may result in increased costs, program delays or both, which could have a harmful effect on our ability to develop our product candidates or could render further development impossible. In addition, we rely on clinical trial sites to ensure timely conduct of our clinical trials and, while we have entered into agreements governing their services, we are limited in our ability to compel their actual performance.

Our product candidates may cause undesirable and unforeseen side effects or have other properties impacting safety that could halt their clinical development, delay or prevent their regulatory approval, limit their commercial potential or result in significant negative consequences.

Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, EMA or comparable foreign regulatory authorities and potential product liability claims. Such side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial. Many compounds developed in the biopharmaceutical industry that initially showed promise in early-stage testing for treating cancer have later been found to cause side effects that prevented their further development. Any of these occurrences may materially and adversely affect our business, financial condition, results of operations and prospects.

In our clinical trials for our antibody-drug conjugates mecbotamab vedotin and ozuriftamab vedotin, we have observed adverse events such as reversible myelosuppression, transient liver enzyme elevations, pyrexia, or fever, metabolic disturbances and peripheral neuropathy. In our clinical trial for evalstotug, we have observed infusion-related reactions, cytokine release syndrome, and immune-related adverse events. In our clinical trial of BA3182, we have observed adverse events, such as cytokine release syndrome, diarrhea, and transient elevations in liver enzymes and bilirubin, and colitis, including a grade 2 colitis where the patient subsequently withdrew from the study and transferred into hospice and ultimately died, with the death being attributed to colitis. We may also observe undesirable side effects in clinical trials for our other product candidates.

For our current and future clinical trials, we have contracted with and expect to continue to contract with CROs experienced in the assessment and management of toxicities arising during clinical trials. Nonetheless, they may have difficulty observing patients and treating toxicities, which may be more challenging due to personnel changes, shift changes, house staff coverage or related issues. This could lead to more severe or prolonged toxicities or even patient deaths, which could result in us or the FDA, EMA or comparable foreign regulatory authorities delaying, suspending or terminating one or more of our clinical trials and which could jeopardize regulatory approval.

Further, clinical trials by their nature test product candidates in only samples of the potential patient populations. With a limited number of patients and limited duration of exposure in such trials, rare and severe side effects of our product candidates may not be uncovered until a significantly larger number of patients are exposed to the product candidate. For example, while we believe that mecbotamab vedotin, ozuriftamab vedotin, evalstotug, and BA3182 have demonstrated manageable tolerability profiles when delivered at optimized doses thus far, we cannot assure

you that these and our other product candidates will not cause more severe side effects in a greater proportion of patients or when delivered at higher doses.

In addition, mecbotamab vedotin, ozuriftamab vedotin, and evalstotug have been studied in combination with other therapies, which may exacerbate adverse events associated with the therapy. Patients treated with these or our other product candidates may have recently received surgical, radiation or chemotherapy treatments, which can cause side effects or adverse events that are unrelated to our product candidate but may still impact the success of our clinical trials.

The inclusion of critically ill patients in our clinical trials may result in deaths or other adverse medical events due to other therapies or medications that such patients may be using or due to the gravity of such patients' illnesses. For example, some of the late-stage patients enrolled in the clinical trials may die or experience major clinical events either during the course of our clinical trials or after participating in such trials due mainly to the gravity of their illness, which has occurred in the past.

In the event that any of our product candidates receive regulatory approval, and we or others later identify undesirable and unforeseen side effects caused by such product, negative consequences, including any of the following, could occur:

- regulatory authorities may suspend, limit or withdraw their approval of such product, or seek an injunction against its manufacture or distribution;
- we may be required to conduct additional clinical trials or post-approval studies;
- we may be requested or required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as a boxed warning or a contraindication, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we may be required to implement a Risk Evaluation and Mitigation Strategy ("REMS") and/or create a Medication Guide outlining the risks of such side effects for distribution to patients, a communication plan for healthcare providers and/or other elements to assure safe use;
- we could be sued and held liable for harm caused to patients;
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- the product may become less competitive; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and result in the loss of significant revenues to us, which would materially and adversely affect our results of operations and business. In addition, if one or more of our product candidates prove to be unsafe, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are developing certain of our product candidates in combination with other therapies, and regulatory approval, safety or supply issues with these other therapies may delay or prevent the development and approval of our product candidates.

We have investigated the use of each of mecbotamab vedotin, ozuriftamab vedotin, and evalstotug in combination with an anti-PD-1 antibody. In the future, we may explore the use of these or our other product candidates in combination with other therapies. If we choose to develop a product candidate for use in combination with an approved therapy, we are subject to the risk that the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions could revoke approval of, or that safety, efficacy, manufacturing or supply issues could arise with, the therapy used in combination with our product candidate. If the therapies we use in combination with our

product candidates are replaced as the standard of care, the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our product candidates, if approved, being removed from the market or being less successful commercially.

Where we develop a product candidate for use in combination with a therapy that has not been approved by the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions, we will not be able to market our product candidate for use in combination with such an unapproved therapy, unless and until the unapproved therapy receives regulatory approval. In addition, other companies may also develop their products or product candidates in combination with the unapproved therapies with which we are developing our product candidates for use in combination. Any setbacks in these companies' clinical trials, including the emergence of serious adverse effects, may delay or prevent the development and approval of our product candidates.

If the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions do not approve or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, therapies we choose to evaluate in combination with any of our product candidates, we may be unable to obtain regulatory approval of or to commercialize such product candidates in combination with these therapies.

If safe and effective use of any of our product candidates, such as mecbotamab vedotin and ozuriftamab vedotin, depends on a companion diagnostic test, then the FDA generally will require approval or clearance of that companion diagnostic before or at the same time that the FDA approves our product candidates, if at all. If we are unable to successfully develop companion diagnostic tests for our product candidates, experience significant delays in doing so, rely on third parties in the development of such companion diagnostic tests, or do not obtain or face delays in obtaining FDA approval of a companion diagnostic test, the full commercial potential of our product candidates and our ability to generate revenue will be materially impaired.

If use of a companion diagnostic test is determined to be essential for the safe and effective use of any of our product candidates, such as mecbotamab vedotin and ozuriftamab vedotin, then the FDA generally will require approval, authorization, or clearance of that companion diagnostic before or at the same time that the FDA approves our product candidates, if at all. The FDA has generally required in vitro companion diagnostics intended to select the patients who will respond to cancer treatment to obtain a PMA for that diagnostic simultaneously with approval of the therapeutic. The process of obtaining or creating such diagnostic and obtaining a PMA is time-consuming and costly and a delay in diagnostic approval could delay drug approval.

In 2024, CDRH announced that it intended to reclassify most high-risk in vitro diagnostic products from Class III to Class II medical devices and stated that it expected most future companion diagnostics would be regulated as Class II devices. Reclassification would allow companion diagnostic developers to seek marketing authorization through the FDA's 510(k) or de novo classification pathways rather than the more costly and time-consuming PMA pathway. Since that time, CDRH has taken steps to begin the reclassification process for certain companion diagnostic products, such as in situ hybridization test systems and nucleic acid-based test systems intended for use with a corresponding approved oncology therapeutic product. However, these proposed reclassifications are not yet final and commercializing any such tests requires PMA approval until the reclassification is final. While the 510(k) and de novo submission processes are less burdensome than the PMA process, there is no guarantee that the diagnostics test that would be used with our product candidates will be reclassified or that they would obtain marketing authorization through either process more quickly than through the PMA process.

According to FDA guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic is not also approved, authorized, or cleared for that indication. If a satisfactory companion diagnostic is not commercially available, we may be required to create or obtain one that would be subject to regulatory approval requirements. For example, we have in the past explored predictive biomarkers, such as the Tumor Membrane Percent Score ("TmPS"), which measures AXL and ROR2 expression levels on the tumor membrane, to help inform which patients may be most suitable for treatment with mecbotamab vedotin and ozuriftamab vedotin. Currently, patients with negative or only

1% TmPS scores appear to have experienced clinical benefit in our ongoing clinical trials. However, if the AXL and/or ROR2 TmPS scores predict those most likely to experience clinical benefit, we may be required to pursue the further use of a companion diagnostic in our mecbotamab vedotin or ozuriftamab vedotin clinical trials, and the available market for mecbotamab vedotin or ozuriftamab vedotin, both in patient numbers and patient acceptance of the protocol, could be limited. In addition, we expect to rely on third parties for the design, development and manufacture of companion diagnostic tests for any of our product candidates that require such tests.

On April 13, 2020, the FDA issued new guidance on developing and labeling companion diagnostics for a specific group of oncology therapeutic products, including recommendations to support a broader labeling claim rather than individual therapeutic products. We will continue to evaluate the impact of this guidance on our companion diagnostic development and strategy. This guidance and future policies from the FDA and other regulatory authorities may impact our development of a companion diagnostic for our product candidates and result in delays in regulatory approval. We may be required to conduct additional studies to support a broader claim. Also, to the extent other approved diagnostics are able to broaden their labeling claims to include our approved drug products, we may be forced to abandon our companion diagnostic development plans or we may not be able to compete effectively upon approval, which could adversely impact our ability to generate revenue from the sale of our approved products and adversely affect our business, financial condition, results of operations and prospects.

If the FDA, EMA or a comparable foreign regulatory authority requires approval of a companion diagnostic for any of our product candidates, whether before or after it obtains marketing approval, we, and/or future collaborators, may encounter difficulties in developing and obtaining approval for such product candidate. If we or our third-party collaborators experience any delay in developing or obtaining regulatory approval of a companion diagnostic, we may be unable to enroll enough patients for our current and planned clinical trials, the development of our product candidates may be adversely affected or we may not obtain marketing approval, and we may not realize the full commercial potential of our product candidates, including mecbotamab vedotin and ozuriftamab vedotin.

We face competition from entities that have developed or may develop product candidates for cancer, including companies developing novel treatments and technology platforms. If these companies develop technologies or product candidates more rapidly than we do or their technologies are more effective, our ability to develop and successfully commercialize product candidates may be adversely affected.

The development and commercialization of drugs and therapeutic biologics is highly competitive. We compete with a variety of multinational biopharmaceutical companies and specialized biotechnology companies, as well as technology being developed at universities and other research institutions. Our competitors have developed, are developing and will develop product candidates and processes competitive with our product candidates. We believe that a significant number of products are currently under development, and may become commercially available in the future, for the treatment of conditions for which we are developing product candidates. We believe that while our patented CAB technology platform, its associated intellectual property and our scientific and technical know-how give us a competitive advantage in this space, competition from many sources remains. Our success will partially depend on our ability to develop and protect therapeutics that are perceived to be safer and more effective than competing products. Our commercial opportunity and success will be reduced or eliminated if competing products are perceived to be safer, more effective or less expensive than the therapeutics we develop.

Although we do not believe competing companies have selective CAB technology, there is a wide array of activity in several areas of immune-based cellular therapies for oncology including CAR-T and T-cell receptor therapies. Certain companies are also pursuing antibody therapies in immuno-oncology, ADCs and various prodrug biologic products designed to be preferentially activated at tumor sites. There are several FDA approved ADC products and several companies in various stages of clinical development of ADCs mostly directed at oncology indications, a key feature of our product candidates mecbotamab vedotin and ozuriftamab vedotin. There are also companies developing technologies designed to deliver biologics and chemotherapeutic agents with some targeting capabilities. In addition, if any of our product candidates are approved in oncology indications, they may compete with existing biologics and small molecule therapies, or may be used in combination with existing therapies. There are also many other therapies under development that are intended to treat the same cancers that we are targeting or

may target with our CAB platform, including through approaches that could prove to be more effective, have fewer side effects, be cheaper to manufacture, be more convenient to administer or have other advantages over any products resulting from our technologies.

Many of our competitors, either alone or with strategic partners, have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we do. Accordingly, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market acceptance, rendering our treatments obsolete or non-competitive. Accelerated merger and acquisition activity in the biotechnology and biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. These companies also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials and acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. The level of generic competition and the availability of reimbursement from government and other third-party payors will also significantly affect the pricing and competitiveness of our products. In addition, our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries. Sponsors of clinical trials of FDA-regulated products, including biologics, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed in certain circumstances for up to two years after the date of completion of the trial. Competitors may use this publicly available information to gain knowledge regarding the progress of development of our programs.

Our commercial opportunity could be substantially limited in the event that our competitors develop and commercialize products that are perceived to be more effective, safer, less toxic or more convenient than products we may develop. In geographies that are critical to our commercial success, competitors may also obtain regulatory approvals before us, resulting in our competitors building a strong market position in advance of our products' entry. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

Our biologic product candidates for which we intend to seek approval may face competition through an abbreviated pathway.

The Biologics Price Competition and Innovation Act of 2009 (the "BPCIA"), enacted as part of the Affordable Care Act (the "ACA"), created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, an application for a biosimilar product referencing an exclusivity-protected product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product referencing an exclusivity-protected biological product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full Biologics License Application ("BLA") for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement BPCIA may be fully adopted by the FDA, any such processes could have an adverse effect on the future commercial prospects for our product candidates.

There is a risk that any product candidates we may develop that are approved by FDA as a biological product under a BLA would not qualify for the 12-year period of exclusivity or that this exclusivity could be shortened due to congressional action or otherwise, potentially creating the opportunity for generic competition sooner than anticipated.

Our business entails a significant risk of product liability, and if we are unable to obtain sufficient insurance coverage, such failure could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We expect to be exposed to significant product liability risks inherent in the development, testing and manufacturing of our product candidates and products, if approved. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in an FDA investigation of the safety and effectiveness of our products, our third-party manufacturer's manufacturing processes and facilities or our marketing programs and potentially a recall of our products or more serious enforcement action, including limitations on the approved indications for which our product candidates may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients and a decline in our stock price. We currently have product liability insurance that we believe is appropriate for our stage of development and may need to obtain higher levels prior to marketing any of our product candidates. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. In addition, we may be subject to liability based on the actions of our existing or future collaborators in connection with their development of products using our CAB technology. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to maintain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Risks related to regulatory approval, other legal compliance matters and taxation

We may be unable to obtain U.S. or foreign regulatory approval and, as a result, unable to commercialize our product candidates.

Our product candidates are subject to extensive governmental regulations relating to, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs and therapeutic biologics. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the United States and in many foreign jurisdictions before a new drug or therapeutic biologic can be marketed. Satisfaction of these and other regulatory requirements is costly, lengthy, time-consuming, uncertain and subject to unanticipated delays. We have not previously submitted a BLA to the FDA, or similar drug approval filings to comparable foreign regulatory authorities, for any product candidate, and it is possible that none of the product candidates we may develop will obtain the regulatory approvals necessary for us or our existing or future collaborators to begin selling them.

We have not completed any large-scale or pivotal clinical trials nor managed the regulatory approval process with the FDA or any other comparable foreign regulatory authority. The time required to obtain FDA and other approvals is unpredictable but typically takes many years following the commencement of clinical trials, depending upon the type, complexity and novelty of the product candidate, and numerous other factors including the substantial discretion of regulatory authorities. The standards that the FDA and its foreign counterparts, including the EMA, use when regulating us and our existing or future collaborators require judgment and can change, which makes it difficult to predict with certainty how they will be applied. Any analysis we perform of data from preclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to new government regulations, for example, from future legislation or administrative action, or from

changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. It is impossible to predict whether legislative changes will be enacted, or whether FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of such changes, if any, may be. For example, the Oncology Center of Excellence within the FDA has advanced Project Optimus, which is an initiative to reform the dose optimization and dose selection paradigm in oncology drug development to emphasize selection of an optimal dose, which is a dose or doses that maximizes not only the efficacy of a drug but the safety and tolerability as well. This shift from the prior approach, which generally determined the maximum tolerated dose, may require sponsors to spend additional time and resources to further explore a product candidate's dose-response relationship to facilitate optimum dose selection in a target population. Other Oncology Center of Excellence initiatives have included Project FrontRunner, an initiative with a goal of developing a framework for identifying candidate drugs for initial clinical development in the earlier advanced setting rather than for treatment of patients who have received numerous prior lines of therapies or have exhausted available treatment options. We are considering these and other policy changes as they relate to our programs.

In addition, our product candidates could fail to receive regulatory approval for many reasons including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe, pure and potent for its proposed indication;
- the results of clinical trials may fail to achieve the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- we may be unable to demonstrate that the dose for the product candidate has been optimized;
- we may be unable to demonstrate a sufficient response rate or duration of response for a product candidate;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data submitted in support of regulatory approval;
- the data collected from preclinical studies and clinical trials of our product candidates may not be sufficient to support the submission of a BLA or other regulatory submission necessary to obtain regulatory approval in the United States or elsewhere; and
- we or our contractors may not meet the current Good Manufacturing Practices ("cGMPs") and other applicable requirements for manufacturing processes, procedures, documentation and facilities necessary for approval by the FDA or comparable foreign regulatory authorities.

Any delay or failure in obtaining required approvals could have a material and adverse effect on our ability to generate revenues from the particular product candidate for which we are seeking approval. Furthermore, any regulatory approval to market a drug may be subject to significant limitations on the approved uses or indications for which we may market the drug or the labeling or other restrictions. In addition, the FDA has the authority to require a REMS as part of approving a BLA, or after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug. These requirements or restrictions might include limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may significantly limit the size of the market for the drug and affect reimbursement by third-party payors.

We are also subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries and may include all of the risks associated with FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval. Approval by the FDA does not ensure approval by regulatory authorities outside the United States and vice versa. From time to

time during the development and regulatory approval process for our therapeutic candidates, we engage in discussions with the FDA and other regulatory authorities regarding our development programs, including discussions about the regulatory requirements for approval. Sometimes different regulatory authorities provide different or conflicting advice. While we attempt to harmonize the advice we receive from multiple regulatory authorities, it is not always practical to do so. Also, we may choose not to harmonize conflicting advice when harmonization would significantly delay clinical trial data or when we believe it is otherwise inappropriate. In addition, regulatory authorities may change their views on aspects of the clinical programs, including study designs, or the ability of the studies as designed to support approval of a product. If we are unable to effectively and efficiently resolve and comply with the inquiries and requests of the FDA and other regulatory authorities, the approval of our therapeutic candidates may be delayed, and their value may be reduced.

We intend to seek approval from the FDA or comparable foreign regulatory authorities through the use of accelerated approval pathways, if available. If we are unable to obtain such approval, we may be required to conduct additional preclinical studies or clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals. Even if we receive accelerated approval from the FDA, if our confirmatory trials do not verify clinical benefit or if we do not comply with rigorous post-marketing requirements, the FDA may seek to withdraw accelerated approval.

We intend to seek accelerated approval for one or more of our product candidates. Under the accelerated approval program, the FDA may grant accelerated approval to a product candidate designed to treat a serious or life-threatening condition that addresses an unmet medical need upon a determination that the product candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage but is a clinically important improvement from a patient and public health perspective. We intend to seek accelerated approval for some of our product candidates on the basis of objective response rate, a surrogate endpoint that we believe is reasonably likely to predict clinical benefit. For products granted accelerated approval, sponsors are required to verify and describe the product's clinical benefit generally in the form of confirmatory trials. These confirmatory trials must be completed with due diligence, and the FDA may require that the trial be designed, initiated, and/or fully enrolled prior to approval. If we were to pursue accelerated approval for a product candidate for a disease or condition, we would likely do so on the basis that there is no available therapy for that disease or condition. If any of our competitors were to receive full approval on the basis of a confirmatory trial for a drug for a disease or condition for which we are seeking accelerated approval before we receive accelerated approval, the disease or condition would no longer qualify as one for which there is no available therapy, and accelerated approval of our product candidate would not occur, unless we were able to demonstrate that our product candidate addresses an unmet medical need. Many cancer therapies rely on accelerated approval, and the treatment landscape can change quickly as the FDA converts accelerated approvals to full approvals on the basis of successful confirmatory trials. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, would allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Prior to seeking accelerated approval for any of our product candidates, we intend to seek feedback from the FDA and will otherwise evaluate our ability to seek and receive accelerated approval. For example, we received feedback from the FDA in November 2025 on the design of our planned Phase 3 trial of ozuriftamab vedotin for the treatment of oropharyngeal squamous cell carcinoma to support potential accelerated approval. We cannot assure you that after our evaluation of the feedback and other factors we will decide to pursue or submit a BLA for accelerated approval or any other form of expedited development, review or approval. Similarly, we cannot assure you that after subsequent FDA feedback we will continue to pursue accelerated approval or any other form of

expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to submit an application for accelerated approval or receive an expedited regulatory designation (e.g., breakthrough therapy designation) for our product candidates, we cannot assure you that such application will be accepted or that any expedited development, review or approval will be granted on a timely basis, or at all. The FDA or other comparable foreign regulatory authorities could also require us to conduct further studies prior to considering our application or granting approval of any type.

Recently, the accelerated approval pathway has come under scrutiny within the FDA and by Congress. The FDA has put increased focus on ensuring that confirmatory studies are conducted with diligence and, ultimately, that such studies confirm the anticipated clinical benefit. For example, the FDA has convened its Oncologic Drugs Advisory Committee to review what the FDA has called dangling or delinquent accelerated approvals where confirmatory studies have not been completed or where results did not confirm benefit.

The FDA is authorized to require a post-approval study to be underway prior to approval or within a specified time period following approval. The FDA must also specify conditions of any required post-approval study, which may include milestones such as a target date of study completion. Sponsors must submit progress reports for required post-approval studies and any conditions required by the FDA not later than 180 days following approval and not less frequently than every 180 days thereafter until completion or termination of the study. The FDA can initiate an enforcement action for the failure to conduct with due diligence a required post-approval study, including a failure to meet any required conditions specified by the FDA or to submit timely reports. In addition, the Oncology Center of Excellence has announced Project Confirm, which is an initiative to promote the transparency of outcomes related to accelerated approvals for oncology indications and provide a framework to foster discussion, research and innovation in approval and post-marketing processes, with the goal to enhance the balance of access and verification of benefit for therapies available to patients with cancer and hematologic malignancies.

We may seek Fast Track designation for one or more of our product candidates but we might not receive such designation and, even if granted, such designation may not lead to a faster development or regulatory review or approval process and does not increase the likelihood that our product candidates will receive regulatory approval.

In July 2024, the FDA granted Fast Track designation for ozuriftamab vedotin in recurrent or metastatic SCCHN, and we may seek Fast Track designation in the future for other product candidates. If a drug is intended for the treatment of a serious or life-threatening disease and the drug demonstrates the potential to address unmet medical needs for this disease, the drug may qualify for Fast Track designation. The FDA has broad discretion whether or not to grant this designation. Even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if product candidates do receive Fast Track designation, as ozuriftamab vedotin has in recurrent or metastatic SCCHN, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw Fast Track designation if it believes that the designation is no longer supported by data from its clinical development programs. Many drugs that have received Fast Track designation have failed to obtain approval, and there can be no assurance that such Fast Track designation would lead to a faster development or regulatory review or approval process, or increase the likelihood of receiving regulatory approval.

If we decide to seek Orphan Drug Designation for some of our product candidates, we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for orphan drug exclusivity.

As part of our business strategy, we may seek Orphan Drug Designation for our product candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs and therapeutic biologics for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug or therapeutic biologic as an orphan drug if it is a drug or therapeutic biologic intended to treat a rare disease or condition, which is defined as a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug or therapeutic biologic will be

recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as tax advantages and user fee waivers. In addition, if a product that has Orphan Drug Designation subsequently receives the first FDA approval of the drug to treat the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same product for the same condition for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity.

Even if we obtain Orphan Drug Designation for our product candidates in specific conditions, we may not be the first to obtain marketing approval of these product candidates for the orphan-designated condition due to the uncertainties associated with developing pharmaceutical products; in such case, no orphan drug exclusivity would be available unless we could demonstrate "clinical superiority." In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated condition or may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs or therapeutic biologics with different principal molecular structural features can be approved for the same condition. Even after an orphan product is approved, the FDA can subsequently approve the same drug or therapeutic biologic with the same principal molecular structural features for the same condition if the FDA concludes that the later drug or therapeutic biologic is safer, more effective or makes a major contribution to patient care. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug or therapeutic biologic nor gives the drug or therapeutic biologic any advantage in the regulatory review or approval process. In addition, while we may seek Orphan Drug Designation for our product candidates, we may not receive such designations.

Even if we receive regulatory approval for any of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Any regulatory approvals that we or our existing or future collaborators obtain for our product candidates may also be subject to limitations on the approved indicated uses for which a product may be marketed or to conditions of approval, or contain requirements for potentially costly post-marketing testing, including "Phase 4" clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. Additionally, we may receive approval for indications or patient populations that are not as broad as intended or desired. Furthermore, any regulatory approval to market a product may be subject to limitations on the labeling of the product or may require safety warnings or other restrictions. In addition, the FDA has the authority to require a REMS plan as part of a BLA or after approval, which may impose further requirements or restrictions on the distribution or use of an approved biologic, such as limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may limit the size of the market for the product and affect reimbursement by third-party payors.

In addition, if the FDA or a comparable foreign regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, import, export, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs and GCPs for any clinical trials that we conduct post-approval. The manufacturer and manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and other comparable foreign regulatory authorities, including for continued compliance with cGMP requirements. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party

manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the labeling, marketing, or manufacturing of the product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- withdrawal of the product from the market or voluntary or mandatory product recalls;
- fines, warning or untitled letters or holds on clinical trials;
- delay of approval or refusal by the FDA or comparable foreign regulatory authorities in other jurisdictions to approve pending applications or supplements to approved applications filed by us, our current collaborator or any future strategic partners;
- suspension or revocation of product license approvals;
- product seizure or detention or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

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

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

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

Our ability to commercialize any products successfully also will depend in part on the extent to which reimbursement for these products and related treatments will be available from government authorities, private health insurers and other organizations. Even if we succeed in bringing one or more products to the market, these products may not be considered cost-effective, and the amount reimbursed for any products may be insufficient to allow us to sell our products on a competitive basis. At our programs' current stages of development, we are unable at this time to determine their cost effectiveness or the likely level or method of reimbursement. Increasingly, the third-party payors who reimburse patients or healthcare providers, such as government and private insurance plans, are requiring that drug companies provide them with predetermined discounts from list prices and are seeking to reduce the prices charged or the amounts reimbursed for biopharmaceutical products. If the price we are able to charge for any products we develop, or the reimbursement provided for such products, is inadequate in light of our development and other costs, our return on investment could be adversely affected.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved products. For example, in the United States, principal decisions about reimbursement for new products are

typically made by the Centers for Medicare & Medicaid Services ("CMS"), an agency within the U.S. Department of Health and Human Services ("HHS"). CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare, and private third-party payors often follow CMS's decisions regarding coverage and reimbursement to a substantial degree. State Medicaid agencies and Medicaid managed care plans make coverage and payment decisions under Medicaid within federal guidelines. However, one third-party payor's determination to provide coverage for a product candidate does not assure that other payors will also provide coverage for the product candidate. As a result, the coverage determination process is often time-consuming and costly. This process will require us to provide scientific and clinical support for the use of our products to each third-party payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

Moreover, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. On May 12, 2025, President Trump issued an Executive Order that, among other things, required HHS, within 30 days, to establish and communicate to drug manufacturers most-favored-nation ("MFN") price targets designed to bring drug prices for American patients in line with those in comparably developed nations. If significant progress towards MFN pricing is not achieved, the Executive Order requires HHS to propose a rulemaking to implement MFN pricing. Recently, on December 23, 2025, CMS issued proposed regulations to establish, under the Center for Medicare and Medicaid Innovation, two mandatory MFN pricing demonstration models under Medicare Part B and Part D. If these rules or other MFN pricing rules are finalized, they are likely to mandate reduced prices of at least some drugs in the United States, if they are also sold in comparator countries. Even if we do not market drugs in such countries, we will be indirectly affected if our drugs competed with drugs that were reduced by MFN pricing. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

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

There may be significant delays in obtaining reimbursement for newly approved drugs or therapeutic biologics, and coverage may be more limited than the purposes for which the drug or therapeutic biologic is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for reimbursement does not guarantee that any drug or therapeutic biologic will be reimbursed in all cases or at a rate that permits us to cover our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs or therapeutic biologics, if applicable, may also be insufficient to cover our costs and may not be made permanent. Reimbursement rates may be based on payments allowed for lower-cost drugs or therapeutic biologics that are already reimbursed, may be incorporated into existing payments for other services and may reflect budgetary constraints or imperfections in Medicare data. Net prices for drugs or therapeutic biologics 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 or therapeutic biologics from countries

where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement rates. If reimbursement of any product candidate approved for marketing is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, financial condition, results of operations or prospects could be materially and adversely affected, and our ability to commercialize such products, once approved, could be materially impaired.

The FDA and other comparable foreign regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses.

If any of our product candidates are approved and we are found to have improperly promoted off-label uses of those products, we may become subject to significant liability. The FDA and other comparable foreign regulatory authorities strictly regulate the promotional claims that may be made about prescription products, such as our product candidates, if approved. In particular, a product may not be promoted for uses that are not approved by the FDA or such other comparable foreign regulatory authorities as reflected in the product's approved labeling. For example, if we receive marketing approval for mecbotamab vedotin as a treatment for mKRAS NSCLC, and we are found to have promoted off-label uses, we may become subject to significant liability. Physicians may nevertheless use our product for their patients in a manner that is inconsistent with the approved labeling. Moreover, although we believe that our product candidates may be safer or more effective than other therapies, unless we conduct head-to-head comparative studies, we will not be able to make any claims of superiority. The U.S. federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion of our product candidates, if approved, we could become subject to significant liability, which would materially adversely affect our business, financial condition, results of operations and prospects.

Disruptions at the FDA, the SEC and other government agencies caused by, among other factors, funding shortages or global health concerns could hinder their ability to hire and retain key leadership and other personnel, otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, statutory, regulatory and policy changes and other events that may otherwise affect the FDA's ability to perform routine functions. In addition, government funding of the Securities and Exchange Commission ("SEC") and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed or approved by necessary government agencies, which would adversely affect our business. Furthermore, the application of newly developed artificial intelligence ("AI") and other technologies may have the impact of reducing the development time to bring new products to market, which may materially increase the volume of applications for product approval to the FDA compared to historical application levels. If this increased application volume materializes and funding for additional staff and resources are not allocated to the FDA, the FDA may not be able to continue its current pace of application reviews and review timelines could be extended. Regulatory authorities outside the U.S. facing similar increases in application volume may also experience delays in their regulatory activities.

Similar consequences would also result in the event of a significant shutdown of the federal government. For example, over the last several years, including for 35 days beginning on December 22, 2018, and most recently beginning on October 1, 2025, the U.S. government has shut down several times and certain regulatory authorities, such as the FDA, have had to furlough critical employees and stop critical activities to the extent they are not funded by existing available user fees. Additionally, starting in January 2025, the Trump administration has

reduced the number of federal employees by establishing voluntary termination programs, by position eliminations or by involuntary terminations.

If a prolonged government shutdown occurs, if funding for the FDA, including for user-fee funded activities or other federal agencies (including their workforce) is reduced or exhausted, if global health concerns prevent the FDA or comparable foreign regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, or if the volume of applications to the FDA or comparable foreign regulatory authorities for new product candidates increases materially, it could significantly impact the ability of the FDA or comparable foreign regulatory authorities to timely review and process our regulatory submissions, and could even result in a complete cessation of such activities until appropriations legislation or a continuing resolution is passed, which could have a material adverse effect on our business. Further, future government shutdowns or delays could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

There is substantial uncertainty regarding the Administration's initiatives and how these might impact the FDA, its implementation of laws, regulations, policies and guidance and its personnel. Similar initiatives may also be directed toward other government agencies. These initiatives could prevent, limit or delay development and regulatory approval of our product candidates, which would impact our business.

FDA-regulated industries, such as ours, face substantial uncertainty in regard to the regulatory environment we will face as we proceed with research and development, and possibly in the future commercialization, efforts following the inauguration of President Trump in January 2025. Some of these efforts have manifested to date as efforts to reduce the size of the federal government, including large-scale reductions in force at FDA. The loss of key personnel at the FDA, including those in leadership positions, is likely to impact operations at the FDA, which could result in, among other things, delays or limitations on our ability to obtain guidance from the FDA on our product candidates in development, longer review times, and delays in obtaining regulatory approvals for our product candidates. Moreover, the Administration has paused payments by, reduced the budget of, and terminated grants provided by the National Institutes of Health ("NIH") as related to its funding for medical research, which has decreased, and may continue to decrease, the ability of facilities that rely on NIH funding to enroll and conduct clinical trials. Some of these actions have been challenged in court and there remains general uncertainty regarding future activities. The Administration could issue or promulgate executive orders, regulations, policies or guidance that adversely affects us or create a more challenging or costly environment to pursue the development of new therapeutic products. Alternatively, state governments may attempt to address or react to changes at the federal level with changes to their own regulatory frameworks in a manner that is adverse to our operations. If we or our collaborators become negatively impacted by future governmental orders, regulations, policies or guidance as a result of the Administration, there could be a material adverse effect on us and our business.

The FDA, EMA and other comparable foreign regulatory authorities may not accept data from trials conducted in locations outside of their jurisdiction.

We may choose to conduct international clinical trials in the future. The acceptance of study data by the FDA, EMA or other comparable foreign regulatory authority from clinical trials conducted outside of their respective jurisdictions may be subject to certain conditions. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the United States population and United States medical practice; (ii) the trials are performed by clinical investigators of recognized competence and pursuant to current GCP requirements; and (iii) the FDA is able to validate the data through an on-site inspection or other appropriate means. Additionally, the FDA's clinical trial requirements, including the adequacy of the patient population studied and statistical powering, must be met. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. We cannot assure you that the FDA, EMA or any applicable foreign regulatory authority will accept data from trials conducted outside of its applicable jurisdiction. If the FDA, EMA or any applicable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of

our business plan, and which may result in our product candidates not receiving approval for commercialization in the applicable jurisdiction.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

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

Legislative and regulatory proposals have 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 FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by the 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.

In addition, in the United States, there have been and continue to be several legislative initiatives to contain healthcare costs. Previously, in March 2010, the ACA was enacted, which was intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Later healthcare reform initiatives culminated in the enactment of the IRA in August 2022, which, among other things, requires HHS to directly negotiate the selling price of a statutorily specified number of drugs and biologics each year that CMS reimburses under Medicare Part B and Part D. The negotiated price may not exceed a statutory ceiling price. Only high-expenditure single-source biologics that have been approved for at least 11 years (7 years for single-source drugs) are eligible to be selected by CMS for negotiation, with the negotiated price taking effect two years after the selection year. For 2026, the first year in which negotiated prices became effective, CMS selected 10 high-cost Medicare Part D products in 2023, negotiations began in 2024, the negotiated maximum fair price for each product was announced, and these prices became effective in 2026. These negotiations resulted in significant price reductions for the products from their 2023 list prices, ranging from 38 to 79 percent, with an average price reduction of 59.4 percent. In addition, CMS has selected and negotiated maximum fair pricing for 15 additional Medicare Part D drugs, which will become effective in 2027. For 2028, CMS has selected an additional 15 drugs, comprised of drugs covered under Medicare Part D and, for the first time, drugs payable under Medicare Part B. For 2029 and subsequent years, 20 Part B or Part D drugs will be selected. Currently, a drug or biological product that has an orphan drug designation for only one rare disease or condition is excluded from the IRA's price negotiation requirements, as long as it is approved only for an indication within that disease or condition. However, as a result of a statutory amendment enacted in July 2025, beginning with the 2028 negotiated price applicability year, a drug may be designated for more than one rare disease or condition and still be excluded from price negotiation, as long as the only approved indications are for such rare diseases or conditions. The negotiated prices have represented, and will continue to represent, a significant discount from average prices to wholesalers and direct purchasers. The law also imposes rebates on Medicare Part D and Part B drugs whose prices have increased at a rate greater than the rate of inflation. Manufacturers that fail to comply with the IRA may be subject to various penalties, including civil monetary penalties. The IRA permits the Secretary of HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions may be subject to legal challenges. For example, the provisions related to the negotiation of selling prices of high-expenditure single-source drugs and biologics have been challenged in several lawsuits. Thus, while it is unclear how certain provisions of the IRA will be implemented, the IRA will likely have a significant impact on the pharmaceutical industry. It is unclear to what extent other statutory, regulatory, and administrative initiatives will be enacted and implemented, and to what extent these or any future legislation or

regulations by the current administration or subsequent administrations will have on our business, including market acceptance, and sales, of our products and product candidates.

Further, on May 30, 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Beilina Right to Try Act of 2017, or the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new product candidates that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its products available to eligible patients as a result of the Right to Try Act.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"), which, among other things, contains a number of provisions designed to reduce the number of Americans insured under Medicaid and health exchange plans established under the 2010 Affordable Care Act. The provisions intended to reduce Medicaid enrollment include a work requirement, under which applicants and current beneficiaries will be required to demonstrate that they are engaged for at least 80 hours per month in work, community service, an educational program, or some combination of these. Parents and caregivers of dependent children 13 years old or less and certain other beneficiaries are exempted. In addition, the OBBBA establishes more frequent eligibility verification requirements, restrictions on how states can finance their share of Medicaid, elimination of coverage for undocumented immigrants, and elimination of coverage for gender affirming care and certain family planning clinics. A Congressional Budget Office ("CBO") analysis of the Act estimates that 7.8 million adults will lose Medicaid coverage by 2034, of which 5.2 million will be due to the work requirement. In addition, the OBBBA makes changes to the ACA insurance marketplaces, including, among other measures, greater limitations on enrollment periods, which will result in an additional 3.6 million Americans being uninsured by 2034 according to CBO's estimate. These significant decreases in the numbers of insured Americans will reduce the ability of patients, especially those of modest means, to afford medications, which could reduce the demand for our products.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. For example, the FDA released a final rule in September 2020 providing guidance for states to build and submit plans for importing drugs from Canada, and the FDA authorized the first such plan in Florida in January 2024, which has been extended until November 2026. In June 2026, FDA authorized Colorado's importation plan. It is unclear whether these programs will be extended, how they will be implemented, including which drugs will be chosen, and whether they will be subject to legal challenges in the United States or Canada. Other states have also submitted proposals that are pending review by the FDA. In addition, regional healthcare 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 healthcare programs. This could reduce the ultimate demand for our drug products that we successfully commercialize or put pressure on our product pricing. In addition, regional healthcare 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 healthcare programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our current product candidates and any future product candidates or additional pricing pressures.

Our relationships with healthcare professionals, clinical investigators, CROs and third-party payors in connection with our current and future business activities may be subject to federal and state healthcare fraud and abuse laws, false claims laws, transparency laws, government price reporting and health information privacy and security laws, which could expose us to significant losses, including, among other things, criminal sanctions, civil penalties, contractual damages, exclusion from governmental healthcare programs, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare professionals, clinical investigators, CROs, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our product candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

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

- the U.S. federal false claims and civil monetary penalties laws, including the U.S. federal False Claims Act, which imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- HIPAA, which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by HITECH, which imposes obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information;

- federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm customers;

- the U.S. Physician Payments Sunshine Act created under the ACA, and its implementing regulations, which require that certain manufacturers of drugs, devices, medical supplies and therapeutic biologics that are reimbursable under Medicare, Medicaid, and Children's Health Insurance Programs report annually to the Department of Health and Human Services information related to certain payments and other transfers of value to physicians, as defined by such law, physician assistants, certain types of advance practice nurses and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members; and

- analogous state laws and regulations, such as state anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; some state laws require that pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug and therapeutic biologics manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures, and information related to drug pricing, including price increases. Certain state and local laws also require the registration of pharmaceutical sales representatives.

Foreign and state laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. For instance, the collection and use of health data in the EU is governed by the General Data Protection Regulation ("GDPR") which extends the geographical scope of EU data protection law to non-EU entities under certain conditions, tightens existing EU data protection principles and creates new obligations for companies and new rights for individuals. Failure to comply with the GDPR may result in substantial fines and other administrative penalties. The GDPR may increase our responsibility and liability in relation to personal data that we possess and we may be required to put in place additional mechanisms ensuring compliance with the GDPR. We comply with the GDPR and the UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in United Kingdom national law, the latter regime having the ability to separately fine and penalize violations. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, and it is unclear how United Kingdom data protection laws and regulations will develop in the medium to longer term, and how data transfers to and from the United Kingdom will be regulated in the long term. Ongoing developments in the United Kingdom have created additional uncertainty regarding personal data transfers from the European Economic Area ("EEA") to the United Kingdom following the termination of the personal data transfer grace period set out in the EU and United Kingdom Trade and Cooperation Agreement, which ended on June 30, 2021. It is not clear whether (and when) an adequacy decision may be granted by the European Commission enabling data transfers from EU member states to the United Kingdom long term without additional measures. Moreover, in July 2020 the Court of Justice of the European Union ("CJEU") invalidated the EU-US Privacy Shield Framework ("Privacy Shield") under which personal data could be transferred from the EEA and the United Kingdom to entities in the United States who had self-certified under the Privacy Shield scheme. This has led to uncertainty about the adequate transfer mechanisms for other personal data transfers from the EEA and the United Kingdom to the United States or interruption of such transfers. In the event that any court of law orders the suspension of personal data transfers to or from a particular jurisdiction this could give rise to operational interruption in the performance of services for customers, greater costs to implement alternative data transfer mechanisms that are still permitted, regulatory liabilities or reputational harm.

In addition, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information, and such laws may differ from each other, all of which may complicate compliance efforts. For example, the CCPA, as modified by the CPRA, creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA and CPRA may increase our compliance costs and potential liability, and similar laws have been proposed at the federal level and in other states. In addition, Virginia's Consumer Data Protection Act, which took effect on January 1, 2023, requires businesses subject to the legislation to conduct data protection assessments in certain circumstances and requires opt-in consent from consumers to acquire and process their sensitive personal information, which includes information revealing a consumer's physical and mental health diagnosis and genetic and biometric information that can identify a consumer. Colorado enacted the Colorado Privacy Act, and Connecticut enacted the Connecticut Data Privacy Act, each of which took effect on July 1, 2023, and Utah enacted the Consumer Privacy Act, which became effective on December 31, 2023, and each of these laws may increase the complexity, variation in requirements, restrictions, and potential legal risks, and could require increased compliance costs and changes in business practices and policies. Other states have also enacted, proposed, or are considering proposing, data privacy laws, which could further complicate compliance efforts, increase our potential liability and adversely affect our business.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare, privacy and securities laws and regulations worldwide will involve substantial costs. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to regulatory investigations and enforcement actions, as well as civil private plaintiff litigation, which could mean significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from participation in government-funded healthcare programs such as Medicare and Medicaid or similar programs in other countries or jurisdictions, disgorgement, imprisonment, reputational harm

and diminished profits. Responding to regulatory inquiries and defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

If we fail to comply with U.S. and foreign regulatory requirements, regulatory authorities could limit or withdraw any marketing or commercialization approvals we may receive and subject us to other penalties that could materially harm our business.

Even if we receive marketing and commercialization approval of a product candidate, we will be subject to continuing regulatory requirements, including in relation to adverse patient experiences with the product and clinical results that are reported after a product is made commercially available, both in the United States and any foreign jurisdiction in which we seek regulatory approval. The FDA has significant post-market authority, including the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The FDA also has the authority to require a REMS after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug or therapeutic biologic. The manufacturer and manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and comparable foreign regulatory authorities, including for continued compliance with cGMP requirements. The discovery of any new or previously unknown problems with our third-party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including withdrawal of the product from the market. We rely, and expect we will continue to rely, on third-party manufacturers, and we will not have control over compliance with applicable rules and regulations by such manufacturers. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. If we or our existing or future collaborators, manufacturers or service providers fail to comply with applicable continuing regulatory requirements in the United States or foreign jurisdictions in which we seek to market our products, we or they may be subject to, among other things, fines, warning or untitled letters, holds on clinical trials, delay of approval or refusal by the FDA or comparable foreign regulatory authorities to approve pending applications or supplements to approved applications, suspension or withdrawal of regulatory approval, product recalls and seizures, administrative detention of products, refusal to permit the import or export of products, operating restrictions, injunctions, civil penalties and criminal prosecution.

Our research and development activities could be affected or delayed as a result of possible restrictions on animal testing.

Certain laws and regulations may require us to conduct preclinical testing, which is routinely conducted in animals, before initiating clinical trials involving humans. Animal testing activities have been the subject of controversy and adverse publicity. Animal rights groups and other organizations and individuals have attempted to stop animal testing activities by pressing for legislation and regulation in these areas and by disrupting these activities through protests and other means. To the extent the activities of these groups are successful, our research and development activities may be interrupted, delayed or become more expensive.

In April 2025, the FDA announced a plan to phase out animal testing requirements for monoclonal antibodies and other drugs. This plan involves replacing animal testing with scientifically validated new approach methodologies (“NAMs”), including computational modeling and in vitro human-based systems. A roadmap published at the time of the announcement lays out an implementation plan over the next three years, which includes encouraging sponsors to submit NAM data in parallel with animal data, efforts to encourage the reduction and duration of animal testing, and exploration of the feasibility of replacing animal testing with NAMs. This roadmap also identified a long-term goal (3-5 years) to make animal studies the exception, rather than the norm. There is substantial uncertainty regarding the steps the FDA may ultimately take to encourage or require companies to reduce the use of animal testing for any type of investigational product, when such steps might be taken, and what consequences these might have for development programs such as ours. Furthermore, animal testing may still be required for drug approval outside of the U.S. which could impact our development timelines and cost.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets. We can face criminal liability and other serious consequences for violations, which can harm our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls, the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We may engage third parties to sell our products outside the United States, to conduct clinical trials and/or to obtain necessary permits, licenses, patent registrations and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other collaborators, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

We and our third-party contractors must comply with environmental, health and safety laws and regulations. A failure to comply with these laws and regulations could expose us to significant costs or liabilities.

We and our third-party contractors are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the use, generation, manufacture, distribution, storage, handling, treatment, remediation and disposal of hazardous materials and wastes. Hazardous chemicals, including flammable and biological materials, are involved in certain aspects of our business, and we cannot eliminate the risk of injury or contamination from the use, generation, manufacture, distribution, storage, handling, treatment or disposal of hazardous materials and wastes. In the event of contamination or injury, or failure to comply with environmental, health and safety laws and regulations, we could be held liable for any resulting damages, fines and penalties associated with such liability which could exceed our assets and resources.

Although we maintain workers' compensation insurance to cover us for costs and expenses, we may incur due to injuries to our employees resulting from the use of biological or hazardous materials or wastes arising out of and in the course of employment, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

Environmental, health and safety laws and regulations are becoming increasingly more stringent. We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Changes in tax laws or in their implementation or interpretation may adversely affect us or our investors.

The rules dealing with the U.S. federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service ("IRS") and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many changes have been made and changes are likely to continue to occur in the future. For example, the OBBBA was signed into law on July 4, 2025, and extends many of the tax law provisions that were set to expire in 2025, allows for the immediate expensing of domestic U.S. research and development

expenses, and makes changes to the U.S. taxation of profits derived from foreign operations. The impact of this newly enacted law on our tax position is currently under review and will depend on how the provision is implemented and interpreted by the IRS and other regulatory authorities. It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws may be enacted, or regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result in an increase in our or our stockholders' tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

Risks related to employee matters, managing our growth and other risks related to our business

If we fail to attract and retain qualified senior management and key clinical and scientific personnel, our business may be materially and adversely affected.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management and clinical and scientific personnel. We are highly dependent upon members of our senior management, including Jay M. Short, Ph.D., our Chairman and Chief Executive Officer, as well as our clinical development leaders, senior scientists, and other members of our senior management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, the initiation and completion of our planned clinical trials or the commercialization of product candidates or any future product candidates.

There is competition for qualified personnel in the pharmaceutical, biopharmaceutical and biotechnology field due to the limited number of individuals who possess the skills and experience required by our industry. We will need to hire additional personnel as we expand our clinical development and if we initiate commercial activities. We may not be able to attract and retain quality personnel on acceptable terms, or at all. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output.

We currently have no sales organization. If we are unable to establish sales, marketing and distribution capabilities on our own or through third parties, we may not be able to market and sell our product candidates, if approved, effectively in the United States and foreign jurisdictions or generate product revenue.

We currently do not have a marketing or sales organization. In order to commercialize our product candidates in the United States and foreign jurisdictions on our own, we must build our marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. If any of our product candidates receives regulatory approval, we will need to develop internal sales, marketing and distribution capabilities to commercialize such products, which would be expensive and time-consuming, or make arrangements with third parties to perform these services. If we decide to market our products directly, we will need to commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and supporting distribution, administration and compliance capabilities. If we rely on third parties with such capabilities to market our products or decide to co-promote products with existing or future collaborators, we will need to establish and maintain marketing and distribution arrangements with third parties, and we cannot assure you that we will be able to enter into such arrangements on acceptable terms, or at all. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties, and we cannot assure you that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any approved product. If we are not successful in commercializing any product approved in the future, either on our own or through arrangements with one or more third parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

In order to successfully implement our plans and strategies, we will need to grow the size of our organization, and we may experience difficulties in managing this growth.

In order to successfully implement our development and commercialization plans and strategies, and operate as a public company, we expect to need additional development, managerial, operational, financial, sales, marketing and other personnel. Future growth would impose significant added responsibilities on members of management, including, among others:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and regulatory review process for mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182 and any other product candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to successfully develop and, if approved, commercialize mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and any future product candidates will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities. In addition, as a smaller organization, we may face limitations in our ability to successfully implement and manage our plans and strategies due to resource constraints and limited personnel. These limitations may hinder our ability to execute multiple initiatives simultaneously, respond quickly to market or regulatory changes, and effectively compete with larger organizations that have greater resources and infrastructure. If we are unable to overcome the challenges associated with operating as a smaller organization, our business, financial condition, and results of operations could be materially and adversely affected.

To date, we have used the services of outside vendors to augment our capabilities in performing certain tasks, including preclinical and clinical trial management, manufacturing, statistics and analysis and research and development functions. Our growth strategy may also entail expanding our group of such contractors or consultants to assist in implementing these tasks going forward. Because we rely on numerous consultants, we will need to be able to effectively manage these consultants to ensure that they successfully carry out their contractual obligations and meet expected deadlines. However, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and any future product candidates or otherwise advance our business. We may not be able to manage our existing outside contractors or find other competent outside contractors and consultants on economically reasonable terms, or at all. If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and any future product candidates and, accordingly, may not achieve our research, development and commercialization goals.

Our employees and independent contractors, including principal investigators, CROs, consultants and vendors, may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees and independent contractors, including principal investigators, CROs, consultants and vendors may violate (intentionally or unintentionally) our internal processes and procedures, or engage in misconduct or other illegal activity. Such actions could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate: (1) the laws and regulations of the FDA and other similar regulatory requirements, including those laws that require the reporting of true, complete and accurate information to such authorities, (2) manufacturing standards, including cGMP requirements, (3) data privacy, security, fraud and abuse and other healthcare laws and regulations in the United States and abroad, (4) laws that require the true, complete and accurate reporting of financial information or data or (5) company policies on the use of social media and disclosure of confidential information. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of clinical trials, the creation of fraudulent data in our preclinical studies or clinical trials, or illegal misappropriation of drug product, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to

identify, prevent and deter these activities and/or misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such actions, including fraud or other misconduct, even if none occurred. If any such actions are instituted against us, we may incur significant costs to respond, and if we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and financial results, including, without limitation, the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgements, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, individual imprisonment, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We depend on our information technology systems and those of our CROs, manufacturers, contractors and consultants. Our internal computer systems, such as our enterprise resource planning ("ERP") system, or those of any of our CROs, manufacturers, other contractors, consultants, existing or future collaborators, may fail or suffer security or data privacy breaches or other unauthorized or improper access to, use or acquisition of or destruction of our proprietary and confidential data, employee data or personal data, which could result in additional costs, loss of revenue, significant liabilities, harm to our reputation and material disruption of our operations.

In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. Despite the implementation of security measures, our internal computer systems and infrastructure and those of our current and any future CROs, manufacturers, other contractors, consultants, existing or future collaborators and other third-party service providers are vulnerable to unauthorized access, impairment, or damage from various methods, including cybersecurity attacks, ransomware attacks, breaches, intentional or accidental mistakes or errors, or other technological failures, which can include, among other things, computer viruses, malware, exploit of unpatched product or service vulnerabilities, unauthorized access attempts (including third parties gaining access to systems using stolen or inferred credentials), denial-of-service attacks, phishing attempts, service disruptions, natural disasters, fire, terrorism, war, telecommunication and electrical failures, and attacks enhanced or facilitated by AI. As the cyber-threat landscape evolves, these attacks are growing in frequency, levels of persistence, sophistication and intensity, are becoming increasingly difficult to detect, and are being conducted by sophisticated groups and individuals with a wide range of motives and expertise. We may also face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. If such an event were to occur and cause interruptions in our operations, impact to critical data or systems, or result in the unauthorized acquisition of or access to personally identifiable information or individually identifiable health information (violating certain privacy, cybersecurity or data protection laws such as HIPAA, HITECH, the CCPA and GDPR), it could result in a material disruption of our product candidate development programs and our business operations and we could incur significant liabilities. There also could be requirements that we notify individuals and regulators in the event of unauthorized access to, acquisition, destruction, alteration, or misuse of, personal or health information, which could result from breaches experienced by us or by our vendors, contractors or organizations with which we have formed strategic relationships. Notifications and follow-up actions related to a security breach could impact our reputation and cause us to incur significant costs, including legal expenses and remediation costs, and result in the loss of confidence by our partners, customers, and stakeholders, and thereby have longer term adverse impact on our business operations and revenue. For example, the loss of clinical trial data from completed, ongoing or future clinical trials involving our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the lost data. In addition, because of our approach of running multiple clinical trials in parallel, any breach of our computer systems may

result in a loss of data or compromised data integrity across many of our programs in various stages of development.

We also rely on third parties to manufacture our product candidates, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could be exposed to litigation and governmental investigations, the further development and commercialization of our product candidates could be delayed and we could be subject to significant fines or penalties for any noncompliance with certain state, federal or international privacy and security laws.

We operate our ERP system and other key business systems on SaaS platforms. Accordingly, we depend on these systems, and the third-party providers of these services, for several aspects of our operations. If these service providers or these systems fail, or if we are unable to continue to have access to these systems on commercially reasonable terms, or at all, operations could be severely disrupted until an equivalent system(s) could be identified, licensed or developed, and integrated into our operations. This disruption could have a material adverse effect on our business.

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

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive data about us from public sources, data brokers, or other means that reveal competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive data of the Company could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies. The increasing adoption of AI tools and platforms introduces additional risks, including the potential for unauthorized access to proprietary information, generation of inaccurate or misleading content, and exposure to new cybersecurity threats. AI-generated outputs may also inadvertently violate regulatory requirements or intellectual property rights, which could result in legal liability or reputational harm. As AI technologies evolve rapidly, it may be challenging to anticipate and mitigate all associated risks, and our existing controls may not be sufficient to address emerging threats. Any failure to effectively manage AI-related risks could have a material adverse effect on our business, financial condition, and results of operations.

A portion of our research and development activities take place in China. Uncertainties regarding the interpretation and enforcement of Chinese laws, rules and regulations, a trade war, deterioration of international relations, or political unrest in China could materially adversely affect our business, financial condition and results of operations.

We previously conducted preclinical research and development activities in China through BioDuro-Sundia, which is U.S. owned, but governed by Chinese laws, rules and regulations, and we may in the future conduct similar research and development activities in China. Additionally, our agreement with Himalaya Therapeutics Limited Company is for the initiation of clinical trials of evalstotug in the People's Republic of China. The Chinese legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. In addition, the Chinese legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or not published at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until after the occurrence of the violation. Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since Chinese administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in U.S. or EU legal systems.

We do some business with companies in China, and it is possible some of our contractual counterparties could be impacted by the legislation targeting China. One particular executive order titled Advancing Biotechnology and Biomanufacturing Innovation for a Sustainable, Safe, and Secure American Bioeconomy signed on September 12, 2022 will likely impact the pharmaceutical industry to encourage U.S. domestic manufacturing of pharmaceutical products. Moreover, there have been Congressional legislative proposals, such as the bill titled the BIOSECURE Act, which was recently signed into law in December 2025, that prohibits U.S. federal agencies from entering into or renewing any contract with any entity that uses biotechnology equipment or services produced or provided by a "biotechnology company of concern" to perform that contract as well as authorize the U.S. government to name additional Chinese "biotechnology companies of concern." The BIOSECURE Act also prohibits U.S. government loan and grant recipients from using federal loan or grant money to enter into contracts with entities that use equipment from "biotechnology companies of concern" in the performance of any federal prime contract or subcontract. The Office of Management and Budget ("OMB") of the U.S. Government will issue a list of "biotechnology companies of concern," which will include certain companies that are identified on the U.S. Department of Defense's annual List of Chinese Military Companies, also known as the 1260H List, other entities which the U.S. Government has deemed as such pursuant to a separate designation process, and certain subsidiary, parent, and successor entities of the foregoing. We are currently party to agreements with WuXi Biologics and WuXi XDC Hong Kong for certain development and manufacturing services. WuXi AppTec is currently designated on the 1260H List, but neither WuXi Biologics nor WuXi XDC Hong Kong are currently designated on the 1260H List. WuXi Biologics was previously explicitly named as a "biotechnology company of concern" in prior versions of the BIOSECURE Act." In addition, the BIOSECURE Act provides a grandfathering period of five years for entities that are designated by the U.S. Government; however, entities identified on the 1260H List are not eligible for such grandfathering period. It is possible for the legislation to be amended. If this law, or similar laws that are passed impact Chinese biotechnology manufacturing companies that may be or may become contractors of ours or provide biotechnology equipment or services in the manufacture of our products or products candidates, we may be restricted in our ability to work with such Chinese biotechnology manufacturing companies to the extent we would contract with, or otherwise receive funding from, the U.S. government. As a result, we may need to seek alternative CMO relationships. While we believe we will be able to identify and contract with such alternative CMOs, we cannot predict the terms of any such alternative arrangement nor what actions may ultimately be taken with respect to trade relations between the United States and China or other countries, what products and services may be subject to such actions or what actions may be taken by China or the other countries in retaliation. In addition, any unfavorable government policies on international trade, such as export controls, capital controls or tariffs, new legislation or regulations, renegotiation of existing trade agreements, or any retaliatory trade actions due to recent or future trade tension, may impede, delay, limit, or increase the cost of manufacturing our product candidates. Such events could result in our clinical or commercial supply, packaging and other services being interrupted or limited, which could harm our business.

Furthermore, we are exposed to the possibility of disruption of our research and development activities in the event of changes in the policies of the United States or Chinese governments, political unrest or unstable economic conditions in China, including the escalation of tensions between China and Taiwan. In addition, disagreements between the United States and China with respect to their political, military or economic policies toward Taiwan may contribute to further controversies. For example, a trade war could lead to increased costs for clinical materials that are manufactured in China. These interruptions or failures and any restrictive measures resulting from a deterioration of U.S.- China relations could also result in impeding the commercialization of our product candidates and impair our competitive position. Further, we may be exposed to fluctuations in the value of the local currency in China. Future appreciation of the local currency could increase our costs. These uncertainties may impede our ability to enforce the contracts we have entered into and our ability to continue our research and development activities and could materially and adversely affect our business, financial condition and results of operations.

Our current operations are concentrated in one location. We or the third parties upon whom we depend may be adversely affected by earthquakes, wildfires or other natural disasters, and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

While our current operations are located in our facilities in San Diego, California, we have in the past conducted and may in the future conduct a portion of our research and development activities in other countries. Any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics or pandemics, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us 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 product candidates or interruption of our business operations. Earthquakes, wildfires or other natural disasters could further disrupt our operations and have a material and adverse effect on our business, financial condition, results of operations and prospects. If a natural disaster, power outage or other event prevented us from using all or a significant portion of our headquarters, damaged critical infrastructure, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or 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 may have a material and adverse effect on our business, financial condition, results of operations and prospects. In addition, all of our therapeutic antibodies are manufactured by starting with cells from a master cell bank which are stored in multiple locations to reduce the risk of loss. While we believe we will have adequate backup should any cell bank be lost in a catastrophic event, and we take precautions when transporting our cell banks, it is possible that we could lose several cell banks and have our manufacturing severely impacted by the need to replace the cell banks.

Our business is subject to economic, political, regulatory and other risks associated with conducting business internationally.

We, our collaborators or licensees may seek regulatory approval of our product candidates outside of the United States including in China, the EU, Australia, New Zealand, and Japan. Additionally, pursuant to our agreement with Himalaya Therapeutics Limited Company, we conduct clinical trials in the People's Republic of China. Accordingly, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including, among others:

- differing regulatory requirements and reimbursement regimes in foreign countries;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability under the FCPA or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

Furthermore, changes in laws or policies governing the terms of trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we manufacture products, such as China, could have a material adverse effect on our business and financial results. The impact of these tariffs is subject to several factors, including the effective date and duration of such tariffs, changes in the amount, scope and nature of the tariffs in the future, any retaliatory responses to such actions that the target countries may take and any mitigating actions that may become available. Under the current U.S. administration, there is significant and increasing uncertainty about the future relationship between the United States, China, and other exporting countries, including with respect to trade policies, treaties, government regulations, and tariffs. On April 9, 2025, President Trump announced a pause to previously announced tariffs on most countries for 90 days while the United States works with its trade partners to negotiate new trade agreements. On May 12, 2025, a new executive order was issued by President Trump to (i) suspend the previously imposed 34% reciprocal tariff on imports from China for a period of 90 days, through approximately August 12, 2025; (ii) eliminate the retaliatory tariff increases imposed on April 8 and April 9, which had raised the reciprocal tariff rate from 34% to 125%; and (iii) reinstate the 10% baseline tariff on imports originating from China, Hong Kong, and Macau for the duration of the 90-day period. On July 7, 2025, President Trump delayed imposition of new tariff rates until August 1, 2025, and sent letters to leaders of 14 countries with warnings that new higher tariff rates will come into effect unless they reach a trade agreement with the United States by August 1, 2025. Effective as of August 7, 2025, the United States implemented additional "reciprocal" duties on most imports, generally ranging from 15% to 40%. Notably with respect to China, the temporary 10% reciprocal rate was extended for an additional 90 days on August 12, 2025 through November 10, 2025, so Chinese-origin goods remain subject to the 10% reciprocal tariff (in addition to other applicable duties).

Despite recent trade negotiations between the U.S. and the Mexican, Canadian and Chinese governments, given the uncertainty regarding the scope and duration of any new tariffs, as well as the potential for additional tariffs or trade barriers by the U.S., Mexico, Canada, China or other countries, we can provide no assurance that any strategies we implement to mitigate the impact of such tariffs or other trade actions will be successful.

Additionally, geopolitical tensions and disruptions, such as the ongoing conflict between Russia and Ukraine, the wars between Israel and the terrorist groups Hamas and Hezbollah and escalating conflict and tensions with Iran, could impact our current and future international operations or our ability to seek approval of our product candidates outside of the United States. It is not possible to predict the broader consequences of these conflicts, which could include further sanctions, embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, such as tariffs and trade disputes with other countries, inflation, rising interest rates, currency exchange rates, supply chain challenges and financial market conditions. These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations.

We face risks related to health epidemics and outbreaks, which could significantly disrupt our preclinical studies, affect enrollment of patients in our clinical trials or delay or prevent our receipt of necessary regulatory approvals.

We face risks related to health epidemics or outbreaks of communicable diseases. The outbreak of communicable diseases could result in a widespread health crisis that could adversely affect general commercial activity and the economies and financial markets of many countries. Health pandemics in the past have resulted in, and in the future may result in, governments implementing numerous containment measures, such as travel bans and restrictions, particularly quarantines, shelter-in-place or total lock-down orders and business limitations and shutdowns.

We are following, and plan to continue to follow, recommendations from federal, state and local governments regarding workplace policies, practices and procedures. We are complying with all applicable guidelines for our clinical trials, including remote clinical monitoring.

In addition, health epidemics in the past have had, and in the future may have, a severe effect on the clinical trials of many drug candidates of several sponsors. The extent to which any future health epidemics may impact our preclinical and clinical trial operations is uncertain and will depend on future developments. Disruptions or

restrictions on our ability to travel to monitor data from our clinical trials, or to conduct clinical trials, or the ability of patients enrolled in our studies to travel, or the ability of staff at study sites to travel, as well as temporary closures of our facilities or the facilities of our clinical trial partners and their contract manufacturers, would negatively impact our clinical trial activities. In addition, we rely on independent clinical investigators, CROs and other third-party service providers to assist us in managing, monitoring and otherwise carrying out our preclinical studies and clinical trials, including the collection of data from our clinical trials, and an outbreak may affect their ability to devote sufficient time and resources to our programs or to travel to sites to perform work for us. Similarly, the expected timeline for data readouts of our preclinical studies and clinical trials and certain regulatory filings may be negatively impacted, which would adversely affect our ability to obtain regulatory approval for and to commercialize our product candidates, increase our operating expenses and have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks related to our dependence on third parties

We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of certain of our product candidates. If we fail to enter into such collaborations, or such collaborations are not successful, we may not be able to capitalize on the market potential of our patented technology platform and resulting product candidates.

We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of certain of our product candidates. For example, in September 2024 we entered into an agreement to license BA3362, a Nectin-4 x CD3 T cell engaging ("TCE") bispecific CAB antibody to Context Therapeutics, and subsequently amended this license in May 2026. In addition, we are currently exploring potential third-party collaborators for development and commercialization of select CAB product candidates. With respect to our collaborations, and what we expect will be the case with any future license or collaboration agreements, we have, and would expect to have, limited control over the amount and timing of resources that our existing or future collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our existing or future collaborators' willingness to select additional product candidates to license and their abilities and willingness to fulfill their payment obligations and successfully perform the functions assigned to them in these arrangements.

Our existing collaboration arrangements currently pose, and future collaborations involving our product candidates will pose, the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on preclinical or clinical trial results, changes in the collaborators' strategic focus due to their acquisition of competitive products or their internal development of competitive products, available funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators and other alliances could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidate, particularly 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, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;
- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;

- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our product candidate or that result in costly litigation or arbitration that diverts management attention and resources;

- disputes may arise with respect to the ownership of any intellectual property developed pursuant to our collaborations;

- collaborators may not provide us with timely and accurate information regarding development, regulatory or commercialization status or results, which could adversely impact our ability to manage our own development efforts, accurately forecast financial results or provide timely information to our stockholders regarding our out-licensed product candidates;

- collaborations may be terminated and, if terminated, this may result in a need for additional capital to pursue further development or commercialization of the applicable current or future product candidates; and

- collaborators' sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

Collaboration agreements may not lead to development or commercialization of our product candidates in the most efficient manner or at all. If a collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated.

If our existing or future collaborators cease development efforts under our existing or future collaboration agreements, or if any of those agreements are terminated, we may lose committed funding under those agreements and these collaborations may fail to lead to commercial products and the reputation of our patented CAB technology platform may suffer.

Revenue from research and development collaborations depend upon continuation of the collaborations, initiation and expansion of the number of programs subject to the collaborations, the achievement of milestones and royalties, if any, derived from future products developed from our research. If we are unable to successfully advance the development of our product candidates or achieve milestones, revenue and cash resources from milestone payments under our existing or future collaboration agreements will be substantially less than expected.

Our ability to advance our product candidates may be limited by third parties on which we rely for certain technologies which we use in certain of our programs. If any third party developing our product candidates or other candidates based on our patented CAB technology platform experiences a delay or failure in development, regulatory approval or commercialization, even if such failure is not due to our CAB technology, it could reflect negatively on us, our other product candidates and our patented CAB technology platform. In addition, if one of our current or future collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators and our perception in the business and financial communities and our stock price could be adversely affected.

We may not be successful in establishing commercialization collaborations, which could adversely affect our ability to commercialize our product candidates, if approved.

From time to time, we may evaluate and, if strategically attractive, seek to enter into additional collaborations, including with major biotechnology or biopharmaceutical companies. The competition for collaborators is intense, and such arrangements are complex and time-consuming to negotiate, document, and implement and they may require substantial resources to maintain. Any new collaboration may be on terms that are not optimal for us, and we may not be able to maintain any new collaboration if, for example, development or approval of a product

candidate is delayed, sales of an approved product candidate do not meet expectations or the collaborator terminates the collaboration.

In addition, it is possible that a collaborator may not devote sufficient resources to the commercialization of our product candidates or may otherwise fail in its commercialization efforts, in which event the commercialization of such product candidates could be delayed or terminated and our business could be substantially harmed. In addition, the terms of any collaboration or other arrangement that we establish may not be favorable to us or may not be perceived as favorable, which may negatively impact our business, financial condition, results of operations and prospects.

If third parties on which we rely to conduct our preclinical and clinical trials, do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development programs could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects.

We rely, and expect we will continue to rely, on third-party investigators, CROs, data management organizations and consultants to conduct, supervise and monitor our ongoing clinical trials and preclinical studies. Because we rely on these third parties and do not have the ability to conduct preclinical studies or clinical trials independently, we have less control over the timing, quality and other aspects of preclinical studies and clinical trials than we would have had we conducted them on our own. These investigators, CROs and consultants are not our employees, and we will have limited control over the amount of time and resources that they dedicate to our development programs. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our development programs. The third parties with whom we contract might not be diligent, careful or timely in conducting our preclinical studies or clinical trials, resulting in the preclinical studies or clinical trials being delayed or unsuccessful.

If we do not contract with acceptable third parties on commercially reasonable terms, or at all, or if these third parties do not carry out their contractual duties, satisfy legal and regulatory requirements for the conduct of preclinical studies or clinical trials or meet expected deadlines, our development programs could be delayed and otherwise adversely affected. Furthermore, we depend on the availability of various animals to conduct certain preclinical studies that we are required to complete prior to submitting an IND and initiating clinical development or to continue clinical development, including pharmacological and toxicology evaluations. The availability of suitable animals can vary and impact our development timelines and cost. In all events, we are responsible for ensuring that each of our preclinical studies and clinical trials are conducted in accordance with the general investigational plan, protocols for the trial and regulatory requirements. The FDA requires preclinical studies to be conducted in accordance with GLPs and clinical trials to be conducted in accordance with GCPs, including for designing, conducting, recording and reporting the results of preclinical studies and clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements. Any adverse development or delay in our preclinical studies and clinical trials could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We rely on third parties for the manufacture of our product candidates for preclinical studies and our ongoing clinical trials, and we expect to continue to do so for additional clinical trials and ultimately commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products, if approved, or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We rely, and expect we will continue to rely, on third-party contract manufacturers to manufacture our preclinical and clinical trial product supplies and the raw materials used to create our product candidates. We do not own manufacturing facilities for producing such supplies, and we do not have long-term manufacturing agreements. Furthermore, the raw materials for our product candidates may be sourced, in some cases, from a single-source supplier. If we were to experience an unexpected loss of supply of any of our product candidates or any of our future product candidates for any reason, whether as a result of manufacturing, supply or storage issues or

otherwise, we could experience delays, disruptions, suspensions or terminations of, or be required to restart or repeat, any pending or ongoing clinical trials. We cannot assure you that our preclinical and clinical development product supplies or raw materials will not be limited, interrupted, or be of satisfactory quality or continue to be available at acceptable prices. In particular, any replacement of a manufacturer could require significant effort and expertise because there are a limited number of qualified replacements. The technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third party and a feasible alternative may not exist. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third-party manufacture our product candidates.

If we apply for regulatory approval of any of our product candidates, the facilities used by our contract manufacturers to manufacture our product candidates will be subject to inspection by the FDA or other regulatory authorities. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others or if they are unable to maintain a compliance status acceptable to the FDA or other regulatory authorities, approval of our product candidates may be delayed or we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved.

We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any product candidate. If we are unable to obtain or maintain third-party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the failure of the third party to manufacture our product candidates according to our schedule, or at all, including if our third-party contractors give greater priority to the supply of other products over our product candidates or otherwise do not satisfactorily perform according to the terms of the agreements between us and them;

- the reduction or termination of production or deliveries by suppliers, or the raising of prices or renegotiation of terms;

- the termination or nonrenewal of arrangements or agreements by our third-party contractors at a time that is costly or inconvenient for us;

- the breach by the third-party contractors of our agreements with them;

- the failure of third-party contractors to comply with applicable regulatory requirements;

- the failure of the third party to manufacture our product candidates according to our specifications;

- the mislabeling of clinical supplies, potentially resulting in the wrong dose amounts being supplied or active drug not being properly identified;

- clinical supplies not being delivered to clinical sites on time, leading to clinical trial interruptions, or of drug supplies not being distributed to commercial vendors in a timely manner, resulting in lost sales; and

- the misappropriation of our proprietary information, including our trade secrets and know-how.

In addition, we have no material long-term contracts with our suppliers, and we compete with other companies for raw materials and production. We may experience a significant disruption in the supply of raw materials from current sources or, in the event of a disruption, we may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. In addition, if we experience significant increased demand, or if we need to replace an existing supplier, we may be unable to locate additional supplies of raw materials on terms that are acceptable to us, or at all, or we may be unable to locate any supplier with sufficient capacity to meet our requirements or to fill our orders in a timely manner. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labor and other ethical practices. Even if we are able to expand existing sources, we may encounter delays in production and added costs as a result of the time it takes to train suppliers in our methods, products and quality control standards.

The manufacture of biotechnology products is complex, and manufacturers often encounter difficulties in production. If we or any of our third-party manufacturers encounter any loss of materials or if any of our third-party manufacturers encounter other difficulties, or otherwise fail to comply with their contractual or regulatory obligations, our ability to provide product candidates for clinical trials or our products to patients, once approved, the development or commercialization of our product candidates could be delayed or stopped.

The manufacture of biotechnology products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. We and our contract manufacturers must comply with cGMPs, regulations and guidelines for the manufacturing of biologics used in clinical trials and, if approved, marketed products. In order to conduct clinical trials of our product candidates, we and existing and future collaborators will need to manufacture them in large quantities and in accordance with cGMPs. Manufacturers of biotechnology products often encounter difficulties in production, particularly in scaling up and validating initial production. In addition, if microbial, viral or other contaminations are discovered in our products or in the manufacturing facilities in which our products are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Delays in raw materials availability and supply may also extend the period of time required to develop our products. Furthermore, changes in our manufacturing methods may require comparability studies, including clinical bridging studies, which may result in delays to the approval process for our product candidates.

All of our therapeutic antibodies are manufactured by starting with cells from a cell bank. In accordance with cGMPs, we produce one master cell bank for each antibody manufactured, which is then stored in multiple locations to reduce the risk of loss. We have also created a working cell bank for certain manufactured antibodies. While we believe we will have adequate backup should any cell bank be lost in a catastrophic event, and we take precautions when transporting our cell banks, it is possible that we could lose multiple cell banks and have our manufacturing severely impacted by the need to replace the cell banks.

We cannot assure you that any stability or other issues relating to the manufacture of any of our product candidates or products will not occur in the future. Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide any product candidates to patients in planned clinical trials and products to patients, once approved, would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of planned clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to commence new clinical trials at additional expense or terminate clinical trials completely. Any adverse developments affecting clinical or commercial manufacturing of our product candidates or products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our product candidates or products or enforcement actions by regulatory authorities. We may also have to take inventory write-offs and incur other charges and expenses for product candidates or products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. Accordingly, failures or difficulties faced at any level of our supply chain could adversely affect our business and delay or impede the development and commercialization of any of our product candidates or products and could have an adverse effect on our business, financial condition, results of operations and prospects.

Risks related to intellectual property

If we are not able to obtain, maintain and protect our intellectual property rights in any product candidates or technologies we develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, third parties could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market.

Our success depends in part on our ability to obtain and maintain patents and other forms of intellectual property rights, including in-licenses of intellectual property rights of others, for our product candidates, methods used to develop and manufacture our product candidates and methods for treating patients using our product candidates, as

well as our ability to preserve our trade secrets, to prevent third parties from infringing upon our proprietary rights and to operate without infringing upon the proprietary rights of others. The patent process is expensive and time-consuming, and we may not be able to apply for patents on certain aspects of our product candidates in a timely fashion, at a reasonable cost, in all jurisdictions, or at all. Our existing issued and granted patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing products and technology. There is no guarantee that any of our pending patent applications will result in issued or granted patents, that any of our issued or granted patents will not later be found to be invalid or unenforceable or that any issued or granted patents will include claims that are sufficiently broad to cover our product candidates or to provide meaningful protection from our competitors.

Moreover, the patent position of biotechnology and biopharmaceutical companies can be highly uncertain because it involves complex legal and factual issues. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our current and future proprietary technology and product candidates are covered by valid and enforceable patents or are effectively maintained as trade secrets. If third parties disclose or misappropriate our proprietary rights, it may materially and adversely affect our position in the market. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property, provide exclusivity for our product candidates, or prevent others from designing around our patent claims.

Once granted, patents may remain open to opposition, interference, re-examination, post-grant review, inter partes review, nullification or derivation action in court or before patent offices or similar proceedings for a given period after allowance or grant, during which time third parties can raise objections against granted patents. In the course of such proceedings, which may continue for a protracted period of time, the patent owner may be compelled to limit the scope of the allowed or granted patent claims thus attacked, or may lose the allowed or granted claims altogether. In the past we have been party to a patent opposition proceeding at the European Patent Office, or EPO, and we may in the future become party to patent opposition proceedings in the EPO or similar proceedings in other foreign patent offices. In addition, we cannot assure you that:

- We may obtain, maintain, protect and enforce intellectual property protection for our technologies and product candidates.
- Others will not or may not be able to make, use or sell compounds that are the same as or similar to our product candidates but that are not covered by the claims of the patents that we own or license.
- We or our licensors, or our existing or future collaborators are the first to make the inventions covered by each of our issued patents and pending patent applications that we own or license.
- We or our licensors, or our existing or future collaborators are the first to file patent applications covering certain aspects of our inventions.
- Others will not independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights.
- A third party may not challenge our patents and, if challenged, that a court would hold that our patents are valid, enforceable and infringed.
- Any issued patents that we own or have licensed will provide us with any competitive advantage, or will not be challenged by third parties.
- We may develop or in-license additional proprietary technologies that are patentable.
- Pending patent applications that we own or may license will lead to issued patents.
- The patents of others will not have a material or adverse effect on our business, financial condition, results of operations and prospects.
- Our competitors do not conduct research and development activities in countries where we do not have enforceable patent rights and then use the information learned from such activities to develop competitive products for sale in our commercial markets.

If the breadth or strength of protection provided by the patents and patent applications we hold, obtain or pursue with respect to our product candidates is challenged, or if they fail to provide meaningful exclusivity for our product candidates, it could threaten our ability to practice our technologies or commercialize our product

candidates. We cannot offer any assurances about which, if any, patents will issue, the breadth of any such patent, or whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Furthermore, an interference or derivation proceeding can be provoked by a third party or instituted by a patent office or in a court proceeding, to determine who was the first to invent any of the subject matter covered by the patent claims of our applications.

Where we obtain licenses from third parties, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from third parties. We may also require the cooperation of our licensors to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. Moreover, if we do obtain necessary licenses, we will likely have obligations under those licenses, and any failure to satisfy those obligations could give our licensor the right to terminate the license. Termination of a necessary license could have a material adverse impact 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 patent protection for certain aspects of our product candidates, we also consider trade secrets, including confidential and unpatented know-how important to the maintenance of our competitive position. We seek to protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, 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 that obligate them to maintain confidentiality and assign their inventions to us. We also seek to preserve the integrity and confidentiality of our data, trade secrets and know-how by maintaining physical security of our premises and physical and electronic security of our information technology systems. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. We cannot guarantee that our trade secrets and other proprietary and confidential information will not be disclosed or that competitors will not otherwise gain access to our trade secrets. 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 difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the United States and certain foreign jurisdictions are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position could be harmed.

Trade secrets and know-how can be difficult to protect as trade secrets and know-how will over time be disseminated within the industry through independent development, the publication of journal articles, and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. If we are unable to prevent material disclosure of the intellectual property related to our technologies to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, results of operations and financial condition. Even if we are able to adequately protect our trade secrets and proprietary information, our trade secrets could otherwise become known or could be independently discovered by our competitors. Competitors could willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, in the absence of patent protection, we would have no right to prevent them, or those to whom they communicate, from using that technology or information to compete with us. If our trade secrets are not adequately protected so as to protect our market against competitors' products, others may be

able to exploit our product candidates and discovery technologies to identify and develop competing product candidates, and thus our competitive position could be adversely affected, as could our business.

The terms of our patents may not protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years after its earliest U.S. non-provisional effective filing date. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Even if patents covering our technologies or product candidates are obtained, once the patent life has expired, we may be open to competition. Our issued patents will expire on dates ranging from 2030 to 2040, subject to any additional patent extensions that may be available for such patents. If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2030 to 2044 plus any potential patent extensions that may be available for such patents. Due to the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If we do not obtain patent term extension for our product candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. A maximum of one patent may be extended per FDA-approved product as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension may also be available in certain foreign countries upon regulatory approval of our product candidates. However, we may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request or require. If we are unable to obtain patent term extension or restoration or the term of any such extension is less than we request or require, our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

In September 2011, the Leahy-Smith America Invents Act, or Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes several significant changes to U.S. patent law. These include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. In particular, under the Leahy-Smith Act, the United States transitioned in March 2013 to a "first inventor to file" system in which, assuming that other requirements of patentability are met, the first inventor to file a patent application will be entitled to the patent regardless of whether another party was first to invent the claimed invention. A third party that filed or files a patent application in the USPTO after March 2013 but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Furthermore, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our technology and the prior art render our technology to be patentable over the prior art. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that

we were the first to either (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications.

The Leahy-Smith Act also includes several significant changes that affect the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and the provision of additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including PGR, IPR and derivation proceedings. An adverse determination in any such submission or proceeding could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position.

Because of the application of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard applied in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution and defense of our or our licensors' patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in U.S. patent law or laws in other countries could diminish the value of patents in general, thereby impairing our ability to protect our product 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 a high degree of technological and legal complexity. Therefore, obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or in the interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property and may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents. In addition, Congress or other foreign legislative bodies may pass patent reform legislation that is unfavorable to us.

For example, the U.S. Supreme Court has ruled on several patent cases in recent years, sometimes narrowing the scope of patent protection available in certain circumstances or weakening 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, the USPTO or similar authorities in foreign jurisdictions, 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 the patents we might obtain or license in the future.

Other companies or organizations may challenge our or our licensors' patent rights or may assert patent rights that prevent us from developing and commercializing our products.

CAB therapeutics are a new scientific field. We have obtained grants and issuances of CAB therapeutic patents and the various technologies used in discovering and producing CAB therapeutic proteins. The issued patents and pending patent applications in the United States and in key markets around the world that we own or license claim many different methods, compositions and processes relating to the discovery, development, manufacture and commercialization of antibody and immunoregulatory therapeutics. Specifically, we own a portfolio of patents, patent applications and other intellectual property covering CAB compositions of matter as well as their development and methods of use.

As the field of antibody and immunoregulatory therapeutics matures, patent applications are being processed by national patent offices around the world. There is uncertainty about which patents will issue, and, if they do, as to when, to whom, and with what claims. In addition, third parties may attempt to invalidate our intellectual property rights. Even if our rights are not directly challenged, disputes could lead to the weakening of our intellectual property rights. Our defense against any attempt by third parties to circumvent or invalidate our intellectual property rights could be costly to us, could require significant time and attention of our management and could have a material and adverse effect on our business, financial condition, results of operations and prospects or our ability to successfully compete.

There are many issued and pending patents that claim aspects of our product candidates and modifications that we may need to apply to our product candidates. There are also many issued patents that claim antibodies or portions of antibodies that may be relevant for CAB products we wish to develop. Thus, it is possible that one or more organizations will hold patent rights to which we will need a license. If those organizations refuse to grant us a license to such patent rights on reasonable terms, we may not be able to market products or perform research and development or other activities covered by these patents.

Intellectual property rights of third parties could prevent or delay our drug discovery and development efforts and could adversely affect our ability to commercialize our product candidates, and we might be required to litigate or obtain licenses from third parties in order to discover, develop or market our product candidates. Such litigation or licenses could be costly or not available on commercially reasonable terms.

Our commercial success depends in part on our ability to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing or otherwise violating the patents and proprietary rights of third parties. There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, derivation proceedings, post grant reviews, inter partes reviews, and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. Given the vast number of patents in our field of technology, we cannot assure you that marketing of our product candidates or practice of our technologies will not infringe existing patents or patents that may be granted in the future. Because the antibody landscape is still evolving and the CAB antibody landscape is a new field, it is difficult to conclusively assess our freedom to operate without infringing on third-party rights. There are numerous companies that have pending patent applications and issued patents broadly covering many aspects of antibodies generally or covering antibodies directed against the same targets as, or targets similar to, those we are pursuing. Our competitive position may suffer if patents issued to third parties or other third-party intellectual property rights cover our products or product candidates or elements thereof, or our manufacture or uses relevant to our development plans. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of any of our product candidates, any molecules formed during the manufacturing process or any final product or formulation itself, the holders of any such patents may be able to block our ability to commercialize such product candidate. In such cases, we may not be in a position to develop or commercialize products or product candidates unless we successfully pursue litigation to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, if available on commercially reasonable terms. Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further practice our technologies or develop and commercialize one or more of our product candidates. There may be issued patents of which we are not aware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our CAB technologies. There also may be pending patent applications of which we are not aware that may result in issued patents, which could be alleged to be infringed by our CAB technologies. If such an infringement claim should be brought and be successful, we may be required to pay substantial damages, be forced to abandon our product candidates or seek a license from any patent holders, and would most likely be required to pay license fees or royalties or both, each of which could be substantial. No assurances can be given that a license will be available on commercially reasonable terms, if at all. Even if we were able to obtain a license, the rights we obtain may be nonexclusive, which would provide our competitors access to the same intellectual property rights upon which we are forced to rely. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk

increases that our product candidates or technologies may give rise to claims of infringement of the patent rights of others.

We or our collaboration partner, or any future strategic partners may be subject to third-party claims for infringement or misappropriation of patent or other proprietary rights. If we or our licensors, or any future strategic partners are found to infringe a third-party patent or other intellectual property rights, we could be required to pay damages, potentially including treble damages, if we are found to have willfully infringed. In addition, we or our licensors, or any future strategic partners may choose to seek, or be required to seek, a license from a third party, which may not be available on acceptable terms, if at all. Even if a license can be obtained on acceptable terms, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. If we fail to obtain a required license, we or our existing or future collaborators may be unable to effectively market product candidates based on our technology, which could limit our ability to generate revenue or achieve profitability and possibly prevent us from generating revenue sufficient to sustain our operations. In addition, we may find it necessary to pursue claims or initiate lawsuits to protect or enforce our patent or other intellectual property rights. The cost to us in defending or initiating any litigation or other proceeding relating to patent or other proprietary rights, even if resolved in our favor, could be substantial, and litigation would divert our management's attention. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could delay our research and development efforts and limit our ability to continue our operations.

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

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction. For example, U.S. applications filed before November 29, 2000, and certain U.S. applications filed after that date that will not be filed outside the United States, remain confidential until patents issue. Patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our product candidates or technologies could have been filed by others without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our platform technologies, our products or the use of our products. Third-party intellectual property right holders may also actively bring infringement claims against us, even if we have received patent protection for our technologies and product candidates. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. We may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our product candidates.

If we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing our products. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our product candidates that are held to be infringing. We might, if possible, also be forced to redesign product candidates or our technologies so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to

prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

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

We may also be subject to claims that former employees, collaborators or other third parties have an ownership interest in our patents or other intellectual property. We may have ownership disputes in the future arising, for example, from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful, and issued patents covering our product candidates could be found invalid or unenforceable if challenged in court in the United States or abroad.

Competitors may infringe our patents or the patents of our licensors. If we were to initiate legal proceedings against a third party to enforce a patent covering one of our products or our technology, the defendant could counterclaim that our patent is invalid or unenforceable, or the court may refuse to stop the defendant in such infringement proceeding from using the technology at issue on the grounds that our patents do not cover the technology in question. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more of our products or certain aspects of our platform technology. Such a loss of patent protection could have a material and adverse effect on our business, financial condition, results of operations and prospects. Patents and other intellectual property rights also will not protect our technology if competitors design around our protected technology without legally infringing our patents or other intellectual property rights.

Interference or derivation proceedings provoked by third parties or brought by us, the USPTO or any foreign patent authority may be necessary to determine the priority and/or ownership of inventions with respect to our patents or patent applications or those of our licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, if any license is offered at all. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees.

We may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property, trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. 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.

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

Obtaining a valid and enforceable issued or granted patent covering our technology in the United States and worldwide can be extremely costly. In jurisdictions where we have not obtained patent protection, competitors may use our technology to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where it is more difficult to enforce a patent as compared to the United States. Competitor products may compete with our future products in jurisdictions where we do not have issued or granted patents or where our issued or granted patent claims or other intellectual property rights are not sufficient to prevent competitor activities in these jurisdictions. The legal systems of certain countries, particularly certain developing countries, make it difficult to enforce patents and such countries may not recognize other types of intellectual property protection, particularly that relating to biopharmaceuticals. This could make it difficult for us to prevent the infringement of our patents or marketing of competing products in violation of our proprietary rights in certain jurisdictions. Proceedings to enforce our patent rights in foreign jurisdictions, regardless of whether they are successful, could result in substantial cost and divert our efforts and attention from other aspects of our business. Similarly, if our trade secrets are disclosed in a foreign jurisdiction, competitors worldwide could have access to our proprietary information and we may be without satisfactory recourse. Such disclosure could have a material adverse effect on our business. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

We generally file a provisional patent application first (a priority filing) at the USPTO. An international application under the Patent Cooperation Treaty ("PCT") is usually filed within 12 months after the priority filing. Based on the PCT filing, national and regional patent applications may be filed in the United States, Europe, Japan, Australia and Canada and, depending on the individual case, also in any or all of, *inter alia*, Brazil, China, Hong Kong, India, Israel, Mexico, New Zealand, Russia, South Africa, South Korea and other jurisdictions. We have so far not filed for patent protection in all national and regional jurisdictions where such protection may be available. In addition, we may decide to abandon national and regional patent applications before grant. Finally, the grant proceeding of each national or regional patent is an independent proceeding which may lead to situations in which applications might in some jurisdictions be refused by the relevant registration authorities, while granted in other jurisdictions. It is also quite common that depending on the country, various scopes of patent protection may be granted on the same product candidate or technology. Furthermore, while we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate, which may have an adverse effect on our ability to successfully commercialize our product candidates in all of our expected significant foreign markets.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the United States, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The requirements for patentability differ, in varying degrees, from country to country, and the laws of some foreign countries do not protect intellectual property rights, including trade secrets, to the same extent as federal and state laws of the United States. If we or our licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions. 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 are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position in the relevant jurisdiction may be impaired and our business and results of operations may be adversely affected.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time-consuming and is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating or from 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 ability to compete in the marketplace.

If we fail to comply with our obligations under any license, collaboration or other agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing and protecting our product candidates or we could lose certain rights to grant sublicenses.

Our current and any future collaboration agreements or license agreements we enter into are likely to impose various development, commercialization, funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement and/or other obligations on us. If we breach any of these obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages and the licensor may have the right to terminate the license, which could result in us being unable to develop, manufacture and sell products that are covered by the licensed technology or enable a competitor to gain access to the licensed technology. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability.

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

We may find that our programs require the use of proprietary rights held by third parties, and the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. We may be unable to acquire or in-license compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our product candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, financial resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Moreover, collaboration arrangements are complex and time-consuming to negotiate, document, implement and maintain. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements should we choose to enter into such arrangements. We also may be unable to license or acquire third-party intellectual property rights on terms that that would be favorable to us or would allow us to make an appropriate return on our investment. Even if we are able to obtain a

license to intellectual property of interest, we may not be able to secure exclusive rights, in which case others could use the same rights and compete with us.

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

The USPTO and various foreign governmental patent agencies require compliance with several procedural, documentary, fee payment and other provisions during the patent process. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. We employ reputable law firms and other professionals and rely on such third parties to help us comply with these requirements and effect payment of these fees with respect to the patents and patent applications that we own, and if we in-license intellectual property we may have to rely upon our licensors to comply with these requirements and effect payment of these fees with respect to any patents and patent applications that we license. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case. The standards applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in biotechnology and biopharmaceutical patents. As such, we do not know the degree of future protection that we will have on our technologies and product candidates. While we will endeavor to try to protect our technologies and product candidates with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time-consuming, expensive and sometimes unpredictable.

We may be subject to claims that we or our employees or consultants have wrongfully used or disclosed alleged trade secrets of our employees' or consultants' former employers or their clients. These claims may be costly to defend and if we do not successfully do so, we may be required to pay monetary damages and may lose valuable intellectual property rights or personnel.

Many of our employees were previously employed at universities or biotechnology or biopharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper our ability to commercialize, or prevent us from commercializing, our product candidates, which could severely harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented, declared generic or determined to be infringing on other marks. We only have one currently registered trademark and rely on common law protection for the rest of our trademarks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During trademark registration proceedings, we may receive rejections. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are

unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Risks related to our common stock

Our 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 annual and quarterly fluctuations. Our net loss and other operating results will be affected by numerous factors, including, among others:

- variations in the level of expense related to the ongoing development of our product candidates or future development programs;
- results of preclinical studies and clinical trials, or the addition or termination of clinical trials;
- the success of our existing collaborations and any potential additional collaborations, licensing or similar 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 product candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such product candidates;
- regulatory developments affecting our product candidates or those of our competitors; and
- changes in general market and economic conditions.

If our operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any fluctuations in our operating results may, in turn, cause the price of our stock to fluctuate substantially.

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

The trading price of our common stock has been and is likely to continue to be highly volatile. The market price for our common stock may be influenced by many factors, including the other risks described in this section and the following:

- the timing and results of our clinical trials or those of our competitors;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our products;
- the success of competitive products or technologies;
- introductions and announcements of new products by us, our current or future collaborators or our competitors, and the timing of these introductions or announcements;
- announcements of new collaboration agreements, or the restructuring or termination of current collaboration agreements;
- actions taken by regulatory authorities with respect to our products, preclinical studies, clinical trials, manufacturing process or sales and marketing terms;
- actual or anticipated variations in our financial results or 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 product candidates;
- developments concerning any future collaborations, including those regarding manufacturing, supply and commercialization of our products;
- 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 products;
- our ability or inability to raise additional capital and the terms on which we raise it;
- 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 analysts' 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 give 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, our insiders or our other stockholders;
- expiration of market stand-off or lock-up agreements;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- the impact of any natural disasters or public health emergencies; and
- general economic, industry and market conditions.

In addition, the stock markets in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme volatility that has been often unrelated 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 operating performance.

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

We will need to raise additional capital in the future. To the extent we raise additional capital through the issuance of equity or convertible debt securities in the future, there will be further dilution to investors and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights.

On December 19, 2024, we completed a registered direct offering (the "Registered Direct Offering") with certain institutional investors, where we issued an aggregate of (a) 193,581 shares of our common stock and (b) warrants to purchase 193,581 shares of our common stock (the "Warrants"). The Warrants became exercisable on June 20, 2025 at an initial exercise price of $59.50 per share, subject to certain adjustments including for reverse stock splits and share consolidations. As a result of the April 6, 2026 Share Consolidation, the exercise price of the warrants was adjusted to $4.35 per share. Once the Warrants are exercised, the issuance of additional shares of our common stock would cause immediate and substantial dilution to our existing shareholders and could cause a significant reduction in the market price of our common stock.

In November 2025, we entered into the PPAs and the SEPA (each as defined herein). The issuances of the PPA Shares (as defined herein) to date caused immediate and substantial dilution to our existing shareholders. In addition, any future issuances of SEPA Shares (as defined herein) may cause immediate and substantial dilution to our existing shareholders and could cause a significant reduction in the market price of our common stock.

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. We may choose to raise additional capital through the issuance of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. 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.

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

The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us, our business or our market. If no or few securities or industry analysts commence or maintain coverage of us, the trading price for our stock would be negatively impacted. If any of the analysts who cover us issue adverse or misleading research or reports regarding us, our business model, our intellectual property, our stock performance or our market, or if our operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these 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 our stock price or trading volume to decline.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval and their interests may conflict with your interests as an owner of our common stock.

As of September 30, 2026, executive officers and directors, together with holders of 5% or more of our outstanding common stock and their respective affiliates, beneficially own approximately 22.8% of our outstanding common stock. More specifically, Jay M. Short, Ph.D, our Chairman and Chief Executive Officer, together with his spouse, beneficially own approximately 5.4%, of our outstanding common stock, as of September 30, 2026.

As a result, Dr. Short and our other principal stockholders will continue to have significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets and any other significant corporate transaction. The interests of these stockholders may not be the same as or may even conflict with your interests. For example, these stockholders could delay or prevent a change of control of our company, even if such a change of control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or our assets and might affect the prevailing market price of our common stock. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

In addition, we have entered into certain related party transactions with Himalaya Therapeutics SEZC, Inversagen, LLC and BioAtla Holdings, LLC, including various licensing arrangements with respect to certain CAB antibodies. Dr. Short and his spouse are each a manager of Inversagen, LLC and BioAtla Holdings, LLC and a director of Himalaya Therapeutics SEZC. In addition, Dr. Short's spouse is also an officer of Himalaya Therapeutics SEZC. These related party transactions, and any future related party transactions, create the possibility of actual conflicts of interest with regard to Dr. Short.

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

Our common stock price could decline as a result of sales of a large number of shares of common stock or the perception that these sales could occur. These sales, or the possibility that these sales may occur, might also make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate.

All of our outstanding shares of common stock are freely tradable without restriction or further registration under the Securities Act unless held by our "affiliates" as defined in Rule 144 under the Securities Act, or Rule 144. Shares issued upon the exercise of stock options and warrants outstanding under our equity incentive plans or

pursuant to future awards granted under those plans will become available for sale in the public market to the extent permitted by Rules 144 and 701 under the Securities Act.

We registered the offer and sale of all shares of common stock that we may issue under our equity compensation plans, which shares will be able to be sold in the public market upon issuance, subject to applicable securities laws.

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.

Provisions in the amended and restated certificate of incorporation and our amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. These provisions include:

- a prohibition on actions by our stockholders by written consent;
- a requirement that special meetings of stockholders be called only by the chairman of our board of directors, our chief executive officer, or our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors;
- advance notice requirements for election to our board of directors and for proposing matters that can be acted upon at stockholder meetings;
- a requirement that directors may only be removed "for cause" and only with 66 2/3% voting stock of our stockholders;
- a requirement that only the board of directors may change the number of directors and fill vacancies on the board;
- division of our board of directors into three classes, serving staggered terms of three years each; and
- the authority of the board of directors to issue preferred stock with such terms as the board of directors may determine.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, as amended, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. These provisions would apply even if the proposed merger or acquisition could be considered beneficial by some stockholders.

The Company's ability to attract and retain qualified members of our board of directors may be impacted due to new laws, including recently enacted diversity quotas.

In September 2018, California enacted SB 826 ("SB 826") requiring public companies headquartered in California with a board of directors having five members to have at least two female directors, and public company boards with six or more members to have at least three female directors. SB 826 has been challenged in legal proceedings and on May 13, 2022, the Superior Court of California for the County of Los Angeles entered an order striking down SB 826, holding that the statute violates the Equal Protection Clause of the California Constitution. The California Secretary of State has appealed the order and such appeal is currently pending. On September 16, 2022, the appellate court ruled to temporarily stay enforcement of the trial court's order, which prevented the California Secretary of State from collecting diversity data on corporate disclosure forms pursuant to SB 826, pending a further order of the appellate court. On December 1, 2022, the appellate court vacated the temporary stay order and on February 3, 2023, a record on appeal was filed and such appeal is currently pending. To the extent that this ruling of the appellate court permits the Secretary of State of California to collect and report diversity data, we may

be required to comply with additional disclosure requirements. However, ultimate enforceability of SB 826 remains uncertain.

In September 2020, California enacted AB 979 ("AB 979"), which requires that by the end of 2021 California-headquartered public companies have at least one director on their boards who is from an underrepresented community, defined as "an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender." On April 1, 2022, the Superior Court of California for the County of Los Angeles entered an order striking down AB 979, holding that the statute violates the Equal Protection Clause of the California Constitution. On June 6, 2022, a notice of appeal was filed. On September 16, 2022, the appellate court ruled to temporarily stay enforcement of the trial court's order, which prevented the California Secretary of State from collecting diversity data on corporate disclosure forms pursuant to AB 979, pending a further order of the appellate court. On December 1, 2022, the appellate court vacated the temporary stay order and on February 3, 2023, a record on appeal was filed and such appeal is currently pending. To the extent that this ruling of the appellate court permits the Secretary of State of California to collect and report diversity data, we may be required to comply with additional disclosure requirements. In June 2023, the federal district court for the Eastern District of California granted the plaintiffs a summary judgment and determined that AB 979 was unconstitutional on its face. The Eastern District of California's decision is currently on appeal. Litigation regarding AB 979 will continue.

Failure to achieve designated minimum gender and diversity levels in a timely manner exposes such companies to financial penalties and reputational harm. While we are currently in compliance with these regulations, we cannot assure that we can recruit, attract and/or retain qualified members of the board and meet gender and diversity quotas as a result of evolving state laws or market or exchange rules, which may expose us to penalties and/or reputational harm.

We have incurred, and will continue to incur, significant costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives and corporate governance practices. Additionally, if we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

As a public company, we have incurred and will continue to 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, exchange listing requirements 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. Also, the Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities, including obtaining director and officer liability insurance and maintaining such coverage, more time-consuming and costly. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors or our board committees or as executive officers. However, these rules and regulations are often 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.

In addition, as a public company, we are required to incur costs and obligations in order to comply with SEC rules that implement Section 404 of the Sarbanes-Oxley Act. Currently, as a smaller reporting company and a non-accelerated filer, we can take advantage of exemptions from various reporting requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our annual report, periodic reports and proxy statements and providing only two years of audited financial statements in our annual report and periodic reports. Under the SEC rules, we are required to make a formal assessment of the effectiveness of our internal control over

financial reporting, and if we cease to be a smaller reporting company, we will be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. We engaged outside consultants to assist in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we have dedicated, and will continue to dedicate, internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of our internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are designed and operating effectively, and implement a continuous reporting and improvement process for internal control over financial reporting. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, operating results, and financial condition. Since becoming a public company, we increased, and may in the future further increase, the number of employees dedicated to finance and reporting, and the services of outside consultants to meet requirements, which has increased our operating expenses.

The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, our management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act. Our internal control over financial reporting may not prevent or detect all errors and all fraud.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by the market on which our common stock is quoted, the SEC or other regulatory authorities. In addition, if we are not able to continue to meet these requirements, we may not be able to remain eligible for quotation on the OTCQB.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the facts that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, your ability to achieve a return on your investment will depend on appreciation of the value of our common stock.

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 and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to any appreciation in the value of our common stock, which is not certain.

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

In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Regardless of the merits or the ultimate results of such litigation, securities litigation brought against us could result in substantial costs and divert our management's attention from other business concerns.

Our certificate of incorporation and bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for the following types of proceedings: (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim arising pursuant to any provision of our amended and restated certificate of incorporation or amended and restated bylaws (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. Our amended and restated bylaws further provide that the federal district courts of the United States of America will be the exclusive forum, to the fullest extent permitted by law, for resolving any complaint asserting a cause of action arising under the Securities Act. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation and amended and restated bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation and amended and restated bylaws described above.

USE OF PROCEEDS

This prospectus relates to shares of our common stock that may be offered and sold from time to time by the Selling Stockholder. All of the proceeds from the resale of such shares by the Selling Stockholder will be solely for the Selling Stockholder's account, and we will not receive any proceeds from such sales.

We may receive up to $40,000,000 in aggregate gross proceeds from any sales of Advance Shares we make to Yorkville pursuant to the SEPA from and after the date of this prospectus. Because we are not obligated to sell any shares of our common stock under the SEPA, the actual total proceeds to us, if any, are not determinable at this time. See "*The Standby Equity Purchase Agreement*" and "*Plan of Distribution*" elsewhere in this prospectus for more information.

We will receive a de minimis amount of proceeds from any cash exercise of the Commitment Fee Warrants. If all of the Commitment Fee Warrants were exercised for cash, we would receive aggregate proceeds of approximately $18.21, assuming an exercise price of $0.0001.

To the extent that we do elect to sell shares of our common stock to Yorkville pursuant to the SEPA, the amount of proceeds will depend upon the number of shares of common stock sold and the price at which they are sold. There can be no assurance that we will be able to sell any shares of common stock under or fully utilize the SEPA as a source of financing.

We currently plan to use the net proceeds we receive from the SEPA, if any, together with existing cash and cash equivalents, primarily for working capital and other general corporate purposes and to fund our research and development efforts. We do not currently have specific plans or commitments with respect to such net proceeds, if any, and, accordingly, are not able to quantify the allocation of such proceeds among the various potential uses.

The Selling Stockholder will pay any underwriting discounts, selling commissions and stock transfer taxes and fees incurred by such holder in connection with any sale of their shares of common stock. The Company will generally bear all other costs, fees and expenses incurred in effecting the registration of the shares of common stock covered by this prospectus, including, without limitation, all registration and filing fees and fees and expenses of our counsel and independent registered public accountants.

The amounts and timing of our actual expenditures will depend on numerous factors, including the progress of our clinical trials and other development efforts and other factors described under "*Risk Factors*" in this prospectus, as well as the amount of cash used in our operations. We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application of the net proceeds. Pending the uses described above, we plan to invest the net proceeds in short-term, interest-bearing accounts.

DIVIDEND POLICY

We have not paid any cash dividends on the Common Stock to date and do not intend to pay cash dividends. Any payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends will be within the discretion of our Board of Directors at such time.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis together with our consolidated financial statements and related notes included in this prospectus. The following discussion contains forward-looking statements that involve risks and uncertainties. For a complete discussion of forward-looking statements, see the section above entitled "Forward-Looking Statements." Our actual results could differ materially from those expressed or implied in any forward-looking statements as a result of various factors, including those set forth under the caption "Risk Factors."

Overview

We are a clinical-stage biopharmaceutical company developing our novel class of highly specific and selective antibody-based therapeutics for the treatment of solid tumor cancer. Our CABs capitalize on our proprietary discoveries with respect to tumor biology, enabling us to target known, validated tumor antigens that have previously been difficult or impossible to target. Our novel CAB therapeutic candidates exploit characteristic pH differences between the tumor microenvironment and healthy tissue. Unlike healthy tissue, the tumor microenvironment is acidic, and we have designed our antibodies to selectively bind to their targets on tumor cells under acidic pH conditions but not on targets in normal tissues. Our proprietary approach is to identify the necessary targeting and potency required for cancer cell destruction, while aiming to eliminate or greatly reduce on-target, off-tumor toxicity—one of the fundamental challenges of existing cancer therapies.

We are a United States-based company with facilities in San Diego, California. Since the commencement of our operations, we have focused substantially all of our resources on conducting research and development activities, including drug discovery, preclinical studies and clinical trials of our product candidates, including the completed Phase 2 clinical trials of mecbotamab vedotin (BA3011), ozuriftamab vedotin (BA3021), evalstotug (BA3071), and our ongoing Phase 1 clinical trial of BA3182 (CAB-EpCAM x CAB-CD3), establishing and maintaining our intellectual property portfolio, manufacturing clinical and research material through third parties, hiring personnel, establishing product development and commercialization collaborations with third parties, raising capital and providing general and administrative support for these operations.

On March 2, 2026, we announced that our Board of Directors initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. There can be no assurance that this process will result in any agreements or transactions. We do not intend to provide updates until our Board of Directors approves a specific action or otherwise determines whether disclosure is appropriate or required.

In connection with the evaluation of strategic options, we also implemented a reduction in force and other cost-containment measures intended to better align resources with our near-term priorities. In order to continue to preserve capital during this period, we are re-evaluating the timing and scope of our clinical development programs. As part of this process, we paused further enrollment in our ongoing Phase 1 study of BA3182 (CAB-EpCAM x CAB-CD3), while continuing treatment, follow-up of patients, including obtaining new scans in the study. We are also reassessing the appropriate timeline and pacing of further enrollment in the Phase 1 study as well as the appropriate timeline to commence a Phase 3 study for ozuriftamab vedotin (BA3021) (CAB-ROR2-ADC) in 2L+ oropharyngeal squamous cell carcinoma ("OPSCC"). While our goal is to continue these studies, there can be no assurances that clinical development of our programs will not be limited or delayed pending the outcome of the strategic process.

We have incurred significant losses to date. Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our current and future product candidates. We reported net income of $0.5 million and a net loss of $5.9 million for the three and six months ended June 30, 2026, compared to net losses of $18.7 million and $34.0 million for the three and six months ended June 30, 2025. Our net loss was $59.6 million and $69.8 million for the years ended December 31, 2025 and 2024, respectively. As of June 30, 2026, we had an accumulated deficit of $551.5 million. As of December 31, 2025, we had an accumulated deficit of $545.6 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 meaningful revenue from product sales for the foreseeable future, and we expect to continue to incur significant operating expenses for the foreseeable future due to the cost of clinical development of our product candidates. During the year ended December 31, 2025, we implemented certain initiatives to lower cost and extend our cash runway, including a restructuring in March 2025 that included a 30%

workforce reduction, and a reduction in our lease footprint by almost half in June 2025. Additionally, in March 2026 we implemented a restructuring plan that included a 70% workforce reduction. We expect our expenses to decrease in the near term as a result of the March 2026 workforce reduction, cost containment measures and capital preservation initiatives discussed above.

Over the long-term, we expect our expenses to increase substantially in connection with the development of our clinical programs beyond our existing and potential future clinical trials and potentially through the commercialization of our product candidates. As a result, we will require substantial additional capital to develop and commercialize our product candidates and fund operations for the foreseeable future. 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 and other similar arrangements. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our development efforts. We cannot assure you that we will ever be profitable or generate positive cash flow from operating activities.

As of June 30, 2026, our cash and cash equivalents totaled approximately $1.5 million. On May 14, 2026, we entered into a First Amendment (the "Context Amendment") to that certain License Agreement, dated September 23, 2024 (the "Context License Agreement"), by and between us and Context Therapeutics, Inc., a Delaware corporation ("Context"). Under the terms of the Context Amendment, and in full consideration for the amended license rights in the Context Amendment, we received $4,500,000 upfront from Context and the additional $2,000,000 that was due by August 1, 2026.

On August 12, 2026, we entered into a First Amendment (the "EXUMA Amendment") to the Amended and Restated Exclusive License Agreement, dated November 22, 2019 (the "EXUMA License Agreement"), with EXUMA Biotech Corp. (formerly F1 Oncology, Inc.), a Delaware corporation ("EXUMA"). Under the terms of the EXUMA Amendment, and in full consideration for the license and other rights granted under the EXUMA License Agreement, EXUMA agreed to pay us $250,000 within two business days of the effective date of the EXUMA Amendment.

Based on our current operating plan, and along with our history of operating losses, our current cash and cash equivalents are not sufficient to fund our ongoing operations for a period of at least twelve months from the date the condensed consolidated financial statements included in this report are issued, and these circumstances raise substantial doubt about our ability to continue as a going concern.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from the sale of products and do not expect to generate meaningful revenue in the near future.

We have entered into collaborations and licensing agreements with various third parties that, in some cases, may provide for potential future milestone and royalty payments to us (see Note 9 to our condensed consolidated financial statements). In September 2024, we licensed BA3362, a Nectin-4 x CD3 T cell engaging bispecific antibody, to Context. In November 2025, we received the first $2.0 million milestone payment under the Context License Agreement.

In May 2026, in connection with the Context Amendment, we received $4.5 million. We subsequently received the additional $2.0 million that was due by August 1, 2026. We recognized $6.5 million in revenue during the three and six months ended June 30, 2026, related to these payments under the Context License Agreement. We did not recognize any revenue during the three and six months ended June 30, 2025, related to the Context License Agreement.

We recognized revenue of $2.0 million and $11.0 million related to the licensing agreement with Context during the years ended December 31, 2025 and 2024, respectively.

Operating Expenses

Research and Development

Research and development expenses consist primarily of costs incurred in the discovery and development of our product candidates.

- External expenses consist of:
    - Fees paid to third parties such as contractors, clinical research organizations (CROs) and consultants, and other costs related to preclinical and clinical trials;
    - Fees paid to third parties such as contract manufacturing organizations (CMOs) and other vendors for manufacturing research and clinical trial materials; and
    - Expenses related to laboratory supplies and services.

- Unallocated expenses consist of:
    - Personnel-related expenses, including salaries, benefits and equity-based compensation expenses, for personnel in our research and development functions; and
    - Related equipment and facilities depreciation expense.

We expense research and development costs 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 services are performed.

We expect our research and development expenses to decrease in the near term due to cost containment measures and capital preservation initiatives discussed above. However, research and development could increase upon initiation of new clinical trials, including registrational trials for our lead product candidates. The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. Successful product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. Accordingly, to the extent that our product candidates continue to advance into clinical trials, including larger and later-stage clinical trials, our expenses will increase substantially and may become more variable. The actual probability of success for our product candidates may be affected by a variety of factors, including the safety and efficacy of our product candidates, the quality and consistency in their manufacture, investment in our clinical programs and competition with other products. As a result of these variables, we are unable to determine the duration and completion costs of our research and development projects and programs or when and to what extent we will generate revenue from the commercialization and sale of our product candidates. We may never succeed in achieving regulatory approval for any of our product candidates.

General and Administrative

Our general and administrative expenses include personnel-related expenses for personnel in our executive, finance, corporate and other administrative functions, intellectual property and patent costs, facilities and other allocated expenses, other expenses for outside professional services, including legal, human resources, investor relations, audit and accounting services and insurance costs. Personnel-related expenses consist of salaries, benefits and equity-based compensation.

Interest Income

Interest income consists primarily of interest earned on our cash and cash equivalent balances.

Gain (Loss) on Warrant Liability

Gain (loss) on warrant liability relates to the changes in the fair value of our liability-classified warrants to purchase common stock.

Gain (Loss) on PPAs Liability

Gain (loss) on PPAs liability relates to the changes in the fair value of our liability-classified PPAs (as defined below).

Other Expense

Other expense consists of miscellaneous income and expense unrelated to our core operations.

Results of Operations

Comparison of the three months ended June 30, 2026 and 2025

	Three Months Ended June 30,		
	2026	2025	Change
	(in thousands)		
Collaboration and other revenue	$ 6,500	$ —	$ 6,500
Operating expenses:			
Research and development	$ 3,342	$ 13,684	$ (10,342)
General and administrative	2,931	4,963	(2,032)
Total operating expenses	6,273	18,647	(12,374)
Income (loss) from operations	227	(18,647)	18,874
Other income (expense):			
Interest income	16	233	(217)
Gain (loss) on warrant liability	220	(297)	517
Other expense	(11)	—	(11)
Total other income (expense)	225	(64)	289
Consolidated net income (loss) and comprehensive income (loss)	$ 452	$ (18,711)	$ 19,163

Collaboration and other revenue

Collaboration and other revenue was $6.5 million and $0.0 million during the three months ended June 30, 2026 and 2025, respectively. The $6.5 million increase was due to amounts due under the Context Amendment in the current quarter.

Research and development expense

The following table summarizes our research and development expenses allocated by CAB program for the periods indicated:

	Three Months Ended June 30,		
	2026	2025	Change
	(in thousands)		
External expenses:			
BA3182 (CAB EpCAM x CAB CD3)	$ 322	$ 2,136	(1,814)
Other CAB Programs	2,031	8,032	(6,001)
Total external expenses	2,353	10,168	(7,815)
Personnel and related	481	2,145	(1,664)
Equity-based compensation	135	567	(432)
Facilities and other	373	804	(431)
Total research and development expenses	$ 3,342	$ 13,684	$ (10,342)

Research and development expenses were $3.3 million and $13.7 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of approximately $10.3 million was primarily driven by a $8.8 million decrease in program development costs due to completion of our Phase 2 trials for mecbotamab vedotin, ozuriftamab vedotin, and evalstotug. The remaining decrease in research and development expense is due to a $2.1 million decrease in personnel related expense, including stock-based compensation, primarily due to our reduction in force in March 2026, and a $0.4 million decrease in facilities and other allocated costs. This was offset by a $1.0 million increase in related party expense incurred in connection with the Context Amendment in May 2026.

General and administrative expense

General and administrative expenses were $2.9 million and $5.0 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of approximately $2.0 million was primarily driven by a $1.2 million decrease in personnel related expense, including stock-based compensation, primarily due to our reduction in force in March 2026, a $0.8 million decrease in professional fees primarily related to the Company's intellectual property portfolio, offset by a $0.4 million increase in advisor fees related to closing the Context Amendment in May 2026. The remaining $0.4 million decrease is related to facility and other allocated costs.

Interest income

Interest income was $0.0 million and $0.2 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of $0.2 million was primarily due to lower cash and cash equivalents compared to the same period in 2025.

Gain (loss) on warrant liability

Gain on warrant liability was $0.2 million for the three months ended June 30, 2026, as compared to a loss on warrant liability of $0.3 million for the three months ended June 30, 2025. The increase of $0.5 million was due to the change in fair value of the warrants which were issued in December 2024 and are adjusted to fair value at each period, including the impact of an adjustment to the warrant exercise price related to the Share Consolidation which became effective in April 2026.

Comparison of the six months ended June 30, 2026 and 2025

	Six Months Ended June 30,		
	2026	2025	Change
(in thousands)			
Collaboration and other revenue	$ 6,500	$ —	$ 6,500
Operating expenses:			
Research and development	7,924	$ 26,039	$ (18,115)
General and administrative	7,657	10,222	(2,565)
Total operating expenses	15,581	36,261	(20,680)
Loss from operations	(9,081)	(36,261)	27,180
Other income (expense):			
Interest income	53	633	(580)
Gain on warrant liability	2,894	1,583	1,311
Gain on PPAs liability	273	—	273
Other expense	(31)	—	(31)
Total other income	3,189	2,216	973
Net loss and comprehensive loss	$ (5,892)	$ (34,045)	$ 28,153

Collaboration and other revenue

Collaboration and other revenue was $6.5 million and $0.0 million during the six months ended June 30, 2026 and 2025, respectively. The $6.5 million increase was due to amounts due under the Context Amendment in the current quarter.

Research and development expense

The following table summarizes our research and development expenses allocated by CAB program for the periods indicated:

(in thousands)	Six Months Ended June 30, 2026	2025	Change
External expenses:			
BA3182 (CAB EpCAM x CAB CD3)	$ 2,141	$ 3,076	$ (935)
Other CAB Programs	2,044	14,300	(12,256)
Total external expenses	4,185	17,376	(13,191)
Personnel and related	2,248	5,603	(3,355)
Equity-based compensation	457	1,342	(885)
Facilities and other	1,034	1,718	(684)
Total research and development expenses	$ 7,924	$ 26,039	$ (18,115)

Research and development expenses were $7.9 million and $26.0 million for the six months ended June 30, 2026 and 2025, respectively. The decrease of approximately $18.1 million was primarily driven by a $14.2 million decrease in program development costs due to completion of our Phase 2 trials for mecbotamab vedotin, ozuriftamab vedotin, and evalstotug, a $4.2 million decrease in personnel related expense, including stock-based compensation, primarily due to workforce reductions in March 2025 and March 2026, a lower bonus expense in 2026, and a $0.7 million decrease in facilities and other allocated costs. This was offset by a $1.0 million increase in related party expense incurred in connection with the Context Amendment in May 2026.

General and administrative expense

General and administrative expenses were $7.7 million and $10.2 million for the six months ended June 30, 2026 and 2025, respectively. The decrease of approximately $2.5 million was primarily driven by a $2.3 million decrease in personnel expense, including stock-based compensation, primarily due to workforce reductions in March 2025 and March 2026, and lower bonus expense in 2026, a $0.5 million decrease in professional fees primarily related to the Company's intellectual property portfolio, and a $0.4 million decrease in facility and other allocated costs. This was offset by a $0.4 million increase in advisor fees related to closing the Context Amendment in May 2026, and a $0.3 million increase in fees related to the Company's efforts to maintain compliance with Nasdaq listing requirements including the share consolidation that became effective in April 2026.

Interest income

Interest income was $0.1 million and $0.6 million for the six months ended June 30, 2026 and 2025, respectively. The decrease of $0.5 million was primarily due to lower cash and cash equivalents compared to the same period in 2025.

Gain on warrant liability

Gain on warrant liability was $2.9 million and $1.6 million for the six months ended June 30, 2026 and 2025, respectively. The increase of $1.3 million was due to the change in fair value of the warrants which were issued in December 2024 and are adjusted to fair value at each period, including the impact of an adjustment to the warrant exercise price related to the share consolidation which became effective in April 2026.

Gain on PPAs liability

Gain on PPAs liability was $0.3 million for the six months ended June 30, 2026 compared to zero for the six months ended June 30, 2025. The gain of $0.3 million was due to the change in fair value for our pre-paid agreement liability which was initiated in November 2025 and has been fully converted into common stock as of March 2026.

Comparison of the years ended December 31, 2025 and 2024

	Years Ended December 31,		
	2025	2024	Change
	(in thousands)		
Collaboration and other revenue	$ 2,000	$ 11,000	$ (9,000)
Operating expenses:			
Research and development	43,573	63,095	(19,522)
General and administrative	17,732	21,848	(4,116)
Total operating expenses	61,305	84,943	(23,638)
Loss from operations	(59,305)	(73,943)	14,638
Other income (expense):			
Interest income	843	3,369	(2,526)
Gain on warrant liability	295	807	(512)
Loss on PPAs liability	(406)	—	(406)
Other expense	(1,034)	(9)	(1,025)
Total other income (expense)	(302)	4,167	(4,469)
Consolidated net loss and comprehensive loss	$ (59,607)	$ (69,776)	$ 10,169

Collaboration and other revenue

Collaboration and other revenue was $2.0 million and $11.0 million during the years ended December 31, 2025 and 2024, respectively, and consisted of revenue recognized under the Context License Agreement. See Note 9 to our consolidated financial statements for further details regarding collaboration and licensing agreements.

Research and development expense

The following table summarizes our research and development expenses allocated by CAB program for the periods indicated:

	Years Ended December 31,		
	2025	2024	Change
	(in thousands)		
External expenses:			
Mecbotamab vedotin, BA3011 (CAB AXL-ADC)	$ 7,848	$ 12,934	$ (5,086)
Ozuriftamab vedotin, BA3021 (CAB ROR2-ADC)	5,446	8,962	(3,516)
Evalstotug, BA3071 (CAB CTLA-4)	5,026	9,103	(4,077)
BA3182 (CAB EpCAM x CAB CD3)	7,869	5,111	2,758
Other CAB Programs	3,768	6,912	(3,144)
Total external expenses	29,957	43,022	(13,065)
Personnel and related	8,180	12,082	(3,902)
Equity-based compensation	2,199	4,238	(2,039)
Facilities and other	3,237	3,753	(516)
Total research and development expenses	$ 43,573	$ 63,095	$ (19,522)

Research and development expenses were $43.6 million and $63.1 million for the years ended December 31, 2025 and 2024, respectively. The decrease of approximately $19.5 million was primarily driven by a $13.1 million decrease in program development costs which was primarily due to a $12.7 million decrease in development costs for certain of our

clinical stage programs due to lower enrollment and lower overall expense as we complete Phase 2 clinical trials for mecbotamab vedotin, ozuriftamab vedotin and evalstotug, a $3.1 million decrease in other program expense due to a $1.7 million decrease in related party expense primarily incurred in connection with the Context License Agreement and a $1.4 million decrease in development cost for our pre-clinical programs, offset by a $2.8 million increase in development costs for our ongoing Phase 1 trial for our EpCAM program. The remaining decrease in research and development expense is due to a $3.9 million decrease in personnel related expense primarily due to goal achievement for the annual employee incentive bonus falling below the threshold for payment in 2025 and lower headcount including our March 2025 reduction in force, a $2.0 million decrease in stock-based compensation related to awards issued under our 2020 Equity Incentive Plan, and a $0.5 million decrease in facilities and other allocated expense.

General and administrative expense

General and administrative expenses were $17.7 million and $21.8 million for the years ended December 31, 2025 and 2024, respectively. The decrease of approximately $4.1 million was primarily driven by a $1.9 million decrease in personnel related expense related expenses primarily due to goal achievement for the annual employee incentive bonus falling below the threshold for payment in 2025 and lower headcount including our March 2025 reduction in force, a $1.5 million decrease in stock-based compensation related to awards issued under our 2020 Equity Incentive Plan, a $0.3 million decrease in consulting and professional fees related to closing of the Context License Agreement, and a $0.3 million decrease in insurance primarily due to lower D&O insurance premiums.

Interest income

Interest income was $0.8 million and $3.4 million for the years ended December 31, 2025 and 2024, respectively. The decrease of $2.5 million was primarily due to lower cash and cash equivalents compared to the same period in 2024.

Gain on warrant liability

Gain on warrant liability was $0.3 million and $0.8 million for the years ended December 31, 2025 and 2024, respectively. The decrease of $0.5 million was due to the change in fair value of the warrants we issued in December 2024.

Loss on PPAs liability

Loss on PPAs liability was $0.4 million for the year ended December 31, 2025 compared to zero for the year ended December 31, 2024. The loss of $0.4 million was due to the change in fair value of the PPAs liability in connection with the PPAs (as defined below) entered into in November 2025.

Other expense

Other expense was $1.0 million and $0.01 million for the year ended December 31, 2025 and 2024, respectively. The increase in expense of $1.0 million was due to transaction costs related to our PPAs and SEPA (as defined below) entered into in November 2025.

Liquidity and Capital Resources

We have incurred aggregate net losses and negative cash flows from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future. Since July 2020, we have funded our operations primarily through the issuance of equity. As of June 30, 2026, we had cash and cash equivalents of $1.5 million.

In November 2025, we entered into Pre-Paid Advance Agreements (the "PPAs") with each of YA II PN, Ltd., a Cayman Islands exempt limited partnership ("Yorkville"), Anson Investments Master Fund LP and Anson East Master Fund LP (collectively, the "Investors"). Pursuant to the PPAs, the Investors agreed to advance to us $7.5 million (the "Pre-Paid Advance"). The Pre-Paid Advance was purchased by the Investors at 95% of the face amount of the Pre-Paid Advance for gross proceeds of approximately $7.13 million. The Pre-Paid Advance accrued interest at an annual rate of 4%. As of March 2026, the entire balance of the Pre-Paid Advance has been converted into PPA Shares and no amounts remain outstanding under the PPAs.

In November 2025, we also entered into the Standby Equity Purchase Agreement (the "SEPA") with Yorkville pursuant to which we have the right to sell to Yorkville up to $15.0 million of shares of common stock (the "Commitment Amount"),

subject to certain limitations and conditions set forth in the SEPA, during the 36 months beginning November 20, 2025 (such shares, the "SEPA Shares"). Sales of the SEPA Shares to Yorkville and the timing of any such sales, if elected to be utilized by us at a future date, are at our option, and we are under no obligation to sell any SEPA Shares to Yorkville. As consideration for Yorkville's commitment to purchase the SEPA Shares, we agreed to pay to Yorkville a commitment fee equal to 2.00% of the Commitment Amount, or $300,000, which was satisfied by the issuance to Yorkville of an aggregate of 4,868 shares of common stock (the "Commitment Shares"). As of June 30, 2026, 48,092 SEPA Shares had been sold under the SEPA, with gross proceeds to the Company totaling approximately $0.4 million.

In December 2024, we closed on an offering (the "December 2024 Offering") that included warrants to purchase up to 193,581 shares of common stock, which initially had an exercise price of $59.50 per share (the "Warrants") subject to certain adjustments including for reverse stock splits and share consolidations. As a result of the April 6, 2026 Share Consolidation and pursuant to the re-pricing mechanism contained in the Warrants, the exercise price of the Warrants was adjusted to $4.35 to match the lowest VWAP of our common stock during the eleven (11) trading days commencing five (5) trading days immediately preceding the Share Consolidation and ending five (5) trading days immediately following the Share Consolidation. The Warrants became exercisable on June 20, 2025 and will expire five years from the date of initial exercisability. There were 193,581 Warrants outstanding and exercisable at June 30, 2026.

On May 14, 2026, we entered into the Context Amendment. Under the terms of the Context Amendment, and in full consideration for the amended license rights described below, we received $4.5 million upfront from Context and the additional $2.0 million that was due by August 1, 2026 (together, the "Amendment Consideration"). The Amendment Consideration satisfies in full any and all milestone and royalty payment obligations contemplated by the Context License Agreement. Among other modifications to the Context License Agreement, under the terms of the Context Amendment, the license granted to Context under the Context License Agreement is amended to be irrevocable, exclusive, royalty-free, fully paid-up and non-terminable, and any and all diligence obligations with respect to Context are removed.

On August 12, 2026, we entered into the EXUMA Amendment. Under the terms of the EXUMA Amendment, and in full consideration for the license and other rights granted under the EXUMA License Agreement, EXUMA agreed to pay us $250,000 within two business days of the effective date of the EXUMA Amendment (the "EXUMA Pay-Off Amount"). The EXUMA Pay-Off Amount satisfies in full any and all royalty payment obligations contemplated by the EXUMA License Agreement. Under the terms of the EXUMA Amendment, the exclusive license granted to EXUMA under the EXUMA License Agreement is amended to be royalty-free, fully paid-up, irrevocable, perpetual and non-terminable, and EXUMA is responsible for all Joint Patent (as defined in the EXUMA License Agreement) costs, whether currently outstanding or due in the future.

Future Funding Requirements

Our primary uses of cash are to fund operating expenses, which consist primarily of research and development expenses related to our programs and related personnel costs. The timing and amount of future funding requirements depends on many factors, including the following:

- the timing and outcome of our recently initiated evaluation of strategic options;
- the initiation and advancement, scope, rate of progress, completion of enrollment, results and costs of our preclinical studies, clinical trials and other related activities for our product candidates;
- the costs associated with manufacturing our product candidates and establishing commercial supplies and sales, marketing and distribution capabilities;
- the timing and costs of capital expenditures to support our research and development efforts;
- the number and characteristics of other product candidates that we pursue;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make in connection with the licensing, filing, defense and enforcement of any patents or other intellectual property rights;
- the timing, receipt and amount of sales from our potential products;
- our need and ability to hire additional management, scientific and medical personnel;
- the effect of competing products that may limit market penetration of our product candidates;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems;
- the economic and other terms, timing and success of any collaboration, licensing, or other arrangements into which we may enter in the future, including the timing of receipt of any milestone or royalty payments under these agreements;
- the compliance and administrative costs associated with being a public company; and

- the extent to which we acquire or invest in businesses, products or technologies, although we have no commitments or agreements relating to any of these types of transactions.

Based on our current operating plan, our current cash and cash equivalents are not sufficient to fund our ongoing operations for a period of at least twelve months from the date the condensed consolidated financial statements included in this prospectus are issued. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. These circumstances raise substantial doubt about our ability to continue as a going concern.

On March 2, 2026, we announced a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. The Company plans to continue to fund its losses from operations and capital funding needs through proceeds received through the SEPA, this strategic process, other public or private equity or debt financings, or other sources. In connection with the evaluation of strategic options, the Company also implemented a reduction in force and other cost-containment measures intended to better align resources with its near-term priorities. In order to continue to preserve capital during this period, the Company is re-evaluating the timing and scope of its clinical development programs.

While management believes additional funds can be raised through a combination of these approaches, which may alleviate the conditions that raise substantial doubt, these plans are not entirely within our control and cannot be assessed as being probable of occurring. We may not be able to secure additional financing in a timely manner or on favorable terms, if at all. If the Company is not able to secure adequate additional funding, the Company may be forced to make further reductions in spending, extend payment terms with suppliers, liquidate assets where possible, suspend or curtail planned programs or wind down the Company. Any of these actions could materially harm the Company's business, results of operations and future prospects.

To the extent that we raise additional capital through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates. We may also have to forego future revenue streams of research programs at an earlier stage of development or on less favorable terms than we would otherwise choose, or have to grant licenses on terms that may not be favorable to us. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. For example, market volatility resulting from a variety of causes, including recent and future government shutdowns, tariffs and trade disputes with other countries, inflation, high interest rates, growing recession risks, supply chain disruptions, and geopolitical tensions and disruptions, including the US and EU sanctions on Russian oil and gas, the ongoing conflict between Russia and Ukraine, the wars between Israel and the terrorist groups Hamas and Hezbollah, geopolitical instability in Venezuela and the conflict in Iran, could adversely impact our ability to access capital as and when needed. We may choose to raise additional capital through the issuance of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to our investors 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, acquiring other businesses, products or technology, or declaring dividends. If we are unable to obtain additional funding from these or other sources, it may be necessary to significantly reduce our rate of spending through additional reductions in staff and delay, scale back or stop certain research and development programs.

Cash Flows

The following summarizes our cash flows for the periods indicated:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ (5,686)	$ (30,408)
Financing activities	112	(431)
Net decrease in cash and cash equivalents	$ (5,574)	$ (30,839)

Cash used in operating activities

Net cash used in operating activities for the six months ended June 30, 2026 was $5.7 million, which consisted of a net loss of $5.9 million, a net change of $1.7 million in our operating assets and liabilities and $1.5 million of non-cash transactions. The net change in our operating assets and liabilities was primarily due to an increase in accounts payable and accrued expenses of $3.4 million, an increase in operating lease ROU asset and lease liability of $0.1 million, and a decrease in prepaid expenses and other assets of $0.2 million, offset by an increase in accounts receivable of $2.0 million. The non-cash transactions primarily consisted of $2.9 million related to the change in fair value of the warrant liability and $0.3 million related to the change in fair value of the PPAs liability, offset by $1.6 million of stock-based compensation and non-cash charges of $0.1 million related to depreciation and amortization.

Net cash used in operating activities for the six months ended June 30, 2025 was $30.4 million, which consisted of a net loss of $34.0 million, a net change of $1.9 million in our operating assets and liabilities and $1.7 million of non-cash transactions. The net change in our operating assets and liabilities was primarily due to an increase in accounts payable and accrued expenses of $2.5 million, offset by an increase in prepaid expenses and other assets of $0.4 million and a net decrease in operating lease right-of-use assets and lease liabilities of $0.3 million. The non-cash transactions primarily consisted of $3.0 million of stock-based compensation and non-cash charges of $0.3 million related to depreciation and amortization, offset by $1.6 million related to the change in fair value of the warrant liability.

Cash provided by (used in) financing activities

Net cash provided by financing activities was $0.1 million for the six months ended June 30, 2026, consisting primarily of proceeds from issuance of common stock under the SEPA of $0.4 million, offset by the payment of financing costs in connection with the PPAs and SEPA of $0.3 million.

Net cash used in financing activities was $0.4 million for the six months ended June 30, 2025, consisting primarily of the payment of financing costs in connection with the December 2024 offering and the payment of taxes related to the net settlement of restricted stock units, partially offset by the proceeds from the issuance of common stock under the ESPP and the 2020 Plan.

The following summarizes our cash flows for the periods indicated:

	Years Ended December 31,	
	2025	2024
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ (48,204)	$ (71,936)
Financing activities	6,276	9,511
Net decrease in cash and cash equivalents	$ (41,928)	$ (62,425)

Cash used in operating activities

Net cash used in operating activities for the year ended December 31, 2025 was $48.2 million, which consisted of a consolidated net loss of $59.6 million, offset by a net change of $4.3 million in our net operating assets and liabilities, $6.4 million of non-cash transactions and a $0.7 million adjustment to reclassify issuance costs related to the PPAs announced in November 2025 that were expensed as incurred. The net change in our operating assets and liabilities was primarily due to an increase in accounts payable and accrued expenses of $2.8 million, an increase in operating lease right-of-use assets and liabilities of $0.3 million, and a decrease in prepaid expenses and other assets of $1.1 million. The non-cash transactions primarily consisted of $5.4 million of stock-based compensation, $0.4 million related to change in fair value of the PPAs liability, $0.4 million related to depreciation and amortization, $0.3 million related to the commitment fee for the SEPA announced in November 2025, and a $0.2 million loss on disposal of property and equipment, offset by $0.3 million related to the change in fair value of the warrant liability.

Net cash used in operating activities for the year ended December 31, 2024 was $71.9 million, which consisted of a net

loss of $69.8 million, a net change of $11.2 million in our net operating assets and liabilities and $9.0 million of non-cash transactions. The net change in our operating assets and liabilities was primarily due to a decrease in accounts payable and accrued expenses of $13.5 million and a decrease in operating lease right-of-use assets and liabilities of $0.6 million, partially offset by an increase in prepaid expenses and other assets of $2.9 million. The non-cash transactions primarily consisted of $8.9 million of stock-based compensation and non-cash charges of $0.9 million related to depreciation and amortization, offset by $0.8 million related to the change in fair value of the warrant liability.

Cash provided by financing activities

Net cash provided by financing activities was $6.3 million for the year ended December 31, 2025, which consisted primarily of $7.1 million in net proceeds from the PPAs and $0.1 million in proceeds from the issuance of common stock under the Employee Stock Purchase Plan, offset by the payment of financing costs in connection with the December 2024 offering of $0.4 million and $0.5 million in connection with the PPAs.

Net cash provided by financing activities was $9.5 million for the year ended December 31, 2024, which consisted primarily of $9.2 million in net proceeds from the issuance of common stock and warrants in connection with the December 2024 offering and common stock issued under our Employee Stock Purchase Plan of $0.3 million, partially offset by payment of taxes related to the net settlement of equity awards of $46 thousand.

Critical Accounting Policies and Estimates

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

While our significant accounting policies are described in the Note 1 to our consolidated financial statements included elsewhere in this Registration Statement, we believe that the following critical accounting policies are most important to understanding and evaluating our reported financial results.

Accrued Expenses

As part of the process of preparing our consolidated financial statements, we accrue expenses as of each balance sheet date. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost. We make estimates of our accrued expenses as of each balance sheet date based on facts and circumstances known to us at that time. The estimates in our accrued research and development expenses include the costs incurred for services performed by our vendors in connection with research and development activities for which we have not yet been invoiced. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary.

We base our expenses related to research and development activities on our estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the research and development expense. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid expense accordingly. Advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Although we do not expect our estimates to be materially different from amounts actually incurred, if our estimates of the

status and timing of services performed differ from the actual status and timing of services performed, it could result in us reporting amounts that are too high or too low in any particular period. To date, there have been no material differences between our estimates of such expenses and the amounts actually incurred.

Collaboration revenue

We recognize revenue in a manner that depicts the transfer of control of a product or a service to a customer and reflects the amount of the consideration we are entitled to receive in exchange for such product or service. In doing so, we follow a five-step approach: (i) identify the contract 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, and (v) recognize revenue when (or as) the customer obtains control of the product or service. We consider the terms of a contract and all relevant facts and circumstances when applying the revenue recognition standard.

A customer is a party that has entered into a contract with us, where the purpose of the contract is to obtain a product or a service that is an output of our ordinary activities in exchange for consideration. To be considered a contract, (i) the contract must be approved (in writing, orally, or in accordance with other customary business practices), (ii) each party's rights regarding the product or the service to be transferred can be identified, (iii) the payment terms for the product or the service to be transferred can be identified, (iv) the contract must have commercial substance (that is, the risk, timing or amount of future cash flows is expected to change as a result of the contract), and (v) it is probable that we will collect substantially all of the consideration to which we are entitled to receive in exchange for the transfer of the product or the service.

A performance obligation is defined as a promise to transfer a product or a service to a customer. We identify each promise to transfer a product or a service (or a bundle of products or services, or a series of products and services that are substantially the same and have the same pattern of transfer) that is distinct. A product or a service is distinct if both (i) the customer can benefit from the product or the service either on its own or together with other resources that are readily available to the customer and (ii) our promise to transfer the product or the service to the customer is separately identifiable from other promises in the contract. Each distinct promise to transfer a product or a service is a unit of accounting for revenue recognition. If a promise to transfer a product or a service is not separately identifiable from other promises in the contract, such promises should be combined into a single performance obligation.

The transaction price is the amount of consideration we are entitled to receive in exchange for the transfer of control of a product or a service to a customer. To determine the transaction price, we consider the existence of any significant financing component, the effects of any variable elements, noncash considerations and consideration payable to the customer. If a significant financing component exists, the transaction price is adjusted for the time value of money. If an element of variability exists, we must estimate the consideration it expects to receive and use that amount as the basis for recognizing revenue as the product or the service is transferred to the customer. There are two methods for determining the amount of variable consideration: (i) the expected value method, which is the sum of probability-weighted amounts in a range of possible consideration amounts, and (ii) the mostly likely amount method, which identifies the single most likely amount in a range of possible consideration amounts.

If a contract has multiple performance obligations, we allocate the transaction price to each distinct performance obligation in an amount that reflects the consideration we are entitled to receive in exchange for satisfying each distinct performance obligation. For each distinct performance obligation, revenue is recognized when (or as) we transfer control of the product or the service applicable to such performance obligation.

In those instances where we first receive consideration in advance of satisfying our performance obligation, we classify such consideration as deferred revenue until (or as) we satisfy such performance obligation. In those instances where we first satisfy our performance obligation prior to receipt of consideration, the consideration is recorded as accounts receivable.

We expense incremental costs of obtaining and fulfilling a contract as incurred if the expected amortization period of the asset that would be recognized is one year or less, or if the amount of the asset is immaterial. Otherwise, such costs are capitalized as contract assets if they are incremental to the contract and amortized to expense proportionate to revenue recognition of the underlying contract.

Other Company Information

Recent Accounting Pronouncements

See Note 1 to the audited consolidated financial statements included in this prospectus.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

BUSINESS

Overview

We are a clinical-stage biopharmaceutical company developing our novel class of highly specific and selective antibody-based therapeutics for the treatment of solid tumor cancers. Our conditionally active biologics ("CAB" or "CABs") capitalize on our proprietary discoveries with respect to tumor biology, enabling us to target known and widely validated tumor antigens that have previously been difficult or impossible to target. Our novel CAB therapeutic candidates exploit characteristic pH differences between the tumor microenvironment and healthy tissue. Unlike healthy tissue, the tumor microenvironment is acidic, and we have designed our antibodies to selectively bind to their targets on cancer cells under acidic pH conditions but not on targets in normal tissues. Our approach is to identify the necessary targeting and potency required for cancer cell destruction, while aiming to eliminate or greatly reduce on-target, off-tumor toxicity—one of the fundamental challenges of existing cancer therapies. The enhanced selectivity of our CAB technology has the potential to greatly improve the benefit-risk ratio for the patient and allows us to deliver desired drug levels either as monotherapy or utilizing unique multi-targeted or combination therapies that are currently difficult or impossible to develop. Additionally, the combination of reversible binding with the selective, precision capability of our CAB technology enables both increased antibody potency and reduced toxicity. By exploiting our novel understanding of tumor biology, we believe that our proprietary CAB technology has the potential to transform antibody-based cancer therapy.

Our goal is to develop well-tolerated, novel cancer therapies that provide cures or extended survival to ensure patients' improved quality of life. Studies have shown that, as a drug class, antibodies have transformed oncology treatment and include some of the best-selling therapies on the biopharmaceutical market. The broad applicability of our CAB technology allows us to develop a wide array of product candidate modalities, such as monoclonal antibodies, antibody-drug conjugates, ("ADCs"), T cell-engaging bispecific antibodies and chimeric antigen receptor T cells, or CAR-T cells. In 2021, we published a paper in the Proceedings of the National Academy of Sciences describing a novel mechanism using physiological chemicals as Protein-activated Chemical Switches™ ("PaCS") for generating CAB antibodies. Initially, we applied the reversible binding and precision capability of our CAB technology to advance next-generation ADC therapies. We have also developed antibodies for immuno-oncology and for bispecific, T cell engagement.

On March 2, 2026, we announced that our Board of Directors initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. There can be no assurance that this process will result in any agreements or transactions. We do not intend to provide updates until our Board of Directors approves a specific action or otherwise determines whether disclosure is appropriate or required.

In connection with the evaluation of strategic options, we also implemented a reduction in force and other cost-containment measures intended to better align resources with our near-term priorities. In order to continue to preserve capital during this period, we are re-evaluating the timing and scope of our clinical development programs, including the appropriate timeline and pacing of additional enrollment in the Phase 1 study of BA3182 (CAB-EpCAM x CAB-CD3) and the timeline to commence a Phase 3 study for ozuriftamab vedotin (BA3021) (CAB-ROR2-ADC) in 2L+ oropharyngeal squamous cell carcinoma (OPSCC). While we remain focused on conducting the ongoing Phase 1 study and are committed to our clinical development programs, there can be no assurances that clinical development of our programs will not be limited or delayed pending the outcome of the strategic process.

Our strategy

Our mission is to develop and commercialize innovative antibody-based therapeutics for the treatment of solid tumors that are designed to bind depending on the physical and chemical properties of tumors and their microenvironment. We believe that our proprietary CAB technology and approach have the potential to transform cancer therapy by decreasing systemic toxicities and improving efficacy. Our strategy to achieve this mission is as follows:

- **Enter into collaborations to maximize the value of our platform and pipeline.** We have initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. As part of this process, we may enter into strategic collaborations around specific geographic regions, indications, combinations and companion diagnostics. We may also explore collaboration arrangements to commercialize any product candidates where we believe the resources and expertise of the third party could be beneficial. We are currently seeking partnering opportunities across our portfolio, including for our clinical-stage programs. These collaborations could advance and accelerate our programs to maximize their market potential and expand the worldwide commercial potential of our CAB technology and assets.

- **Continued prioritization of our lead product candidates.**

  - *BA3182 (CAB-EpCAM x CAB-CD3)*: Our first bispecific candidate demonstrated in its investigational new drug ("IND")-enabling studies a more than 100-fold improvement in the therapeutic window, as compared to a non-CAB anti-EpCAM bispecific antibody. We are conducting a Phase 1 study in advanced adenocarcinoma. Carcinoma is the most common form of cancer and adenocarcinoma is the most common subtype. Adenocarcinoma is most prevalent in the lung, prostate, breast, pancreas, esophagus, colon/rectum and stomach. Almost all prostate and breast cancers are adenocarcinoma, and about 96% of colorectal cancers are adenocarcinoma (American Cancer Society 2022).

  - *Ozuriftamab vedotin (BA3021):* Having observed multiple durable responses among patients with HPV-associated oropharyngeal squamous cell carcinoma (OPSCC) we are planning a Phase 3 trial for patients with OPSCC who have previously received anti-PD-(L)1 therapy and platinum-containing therapy. We have received guidance from FDA that 1.8 mg/kg of ozuriftamab vedotin delivered every other week satisfies dose optimization requirements.

  - In connection with the strategic process, we are re-evaluating the timing and scope of our clinical development programs, including the appropriate timeline and pacing of additional enrollment in the Phase 1 study of BA3182 and the timeline to commence a Phase 3 study for ozuriftamab vedotin.

- **Continue to leverage our CAB platform.** We have shown in preclinical experiments, including for our Phase 1 clinical asset, BA3182, that our CAB bispecific molecules meet or exceed the activity of conventional bispecifics and reduce systemic activation of potentially fatal immune responses. For example, BA3182 demonstrated in its IND-enabling studies a more than 100-fold improvement in the therapeutic window as compared to a non-CAB anti-EpCAM bispecific antibody.

  We believe that our next generation CAB-ADC platform further widens that therapeutic window by enhancing the linker-payload system. Combining our CAB technology with our next generation CAB-ADC platform replaces the traditional peptide linker with a novel sugar-based linker to deliver the MMAE payload. It is expected that this new CAB-ADC system will further reduce off-target, off-tumor toxicity and thereby expand the therapeutic window.

- **Maintain and leverage our intellectual property portfolio.** As of February 1, 2026, we had a total of 868 patents and patent applications with 597 issued patents, 13 allowed applications and 258 pending applications covering our technologies, including the CAB technology and product candidates. This broad patent coverage was designed such that protection of our product candidates is not dependent on any single patent but rather, each product candidate is covered by several layers of protection. We plan to continue to maintain, monitor, enforce and defend our intellectual property.

Our pipeline

We believe that there is significant potential to improve therapeutics for our patients with our proprietary CAB antibody technology across well-validated oncology targets in solid tumors. The following table summarizes our current product candidate pipeline.



BA3182 (CAB-EpCAM x CAB-CD3): Our bispecific candidate, BA3182, is currently being investigated in a Phase 1 dose escalation study in advanced adenocarcinoma. We have leveraged our CAB technology to develop bispecific antibodies, which bind both a tumor-specific antigen and a T cell receptor using dual CAB antigen-binding domains. A bispecific antibody is a type of engineered antibody that can simultaneously bind two separate and unique antigens, unlike conventional monospecific antibodies that only bind to one type of target.

A common design feature for a bispecific antibody is to include a T cell engager component (*e.g.*, CD3 receptor), such that one antigen-binding domain recognizes a surface-expressed tumor antigen and the other antigen-binding domain binds to and activates CD3+ T cells. With this design, bispecific antibodies can induce potent T cell responses against tumors expressing the tumor target antigen in a simplified manner relative to even off-the-shelf or allogeneic CAR-T therapies. The first FDA-approved bispecific antibody was a T cell engager, blinatumomab, which contained antigen-binding domains for CD19, an antigen found on B-cell leukemias, and CD3, a T cell activating receptor.

There are many structural variants of antibodies and other antigen-binding domains being used by others to construct bispecific product candidates, some of which are being tested clinically. However, similar to CAR-T cells and blinatumomab, many of these bispecific product candidates have increased risks of generating life-threatening cytokine release syndrome and other potential adverse events due to systemic immune activation.

We have applied our CAB antibody technology to develop bispecific CAB antibodies in which both antigen-binding domains are active only in the tumor microenvironment. An example of this approach is our BA3182 bispecific. Epithelial cell adhesion molecule ("EpCAM") is a protein that is over-expressed in many cancers including carcinomas derived from colon, intestine, breast, lung and prostate. Expression of EpCAM has been extensively associated with cell growth and proliferation of both healthy and cancer cells.

EpCAM was one of the first cancer-associated antigens discovered; however, in the forty years since, its clinical impact as a target for therapeutic antibodies in cancer has been limited. One of the problems with targeting EpCAM is its broad expression in the basolateral membranes of normal epithelial cells. Conventional approaches of avoiding systemic toxicities, including deliberately selecting antibodies with low affinity for EpCAM with the intention of generating some degree of selectivity for tumors that express very high levels of EpCAM, have not been successful. Bispecific constructs targeting EpCAM have also not lived up to expectations. Solitomab, a third-party, non-CAB EpCAM x CD3 bispecific tested in the clinical by Amgen, led to over 95% of patients in a Phase 1 dose-escalation trial to experience at least one Grade 3 or above adverse event. Over 20% of patients experienced dose-limiting toxicities, and at tolerated doses only one unconfirmed partial response was observed among 65 patients.

In our Phase 1 dose escalation study, we have observed several patients with tumor reduction, including one patient with cholangiocarcinoma who achieved a confirmed partial response, and we continue to explore higher doses that integrate treatment free intervals with the goal of limiting T cell exhaustion. In connection with the strategic process, we are re-evaluating the timeline and pacing of additional enrollment in the Phase 1 study.

Ozuriftamab vedotin (BA3021): We have advanced our clinical stage product candidate, ozuriftamab vedotin or BA3021, a CAB antibody drug conjugate directed against Receptor Tyrosine Kinase Like Orphan Receptor 2 ("ROR2"). ROR2 is overexpressed across many different solid tumors, including breast, lung, pancreatic, renal, ovarian, and colorectal cancers, SCCHN, and melanoma; its tumoral expression is further enhanced among those treated with PD-1 checkpoint inhibitors. Cancer cell expression of ROR2 has been associated with enhanced cancer cell migration, EMT, increased associated risk for relapse, metastasis and unfavorable prognosis. In breast cancer, for example, ROR2 was found to be expressed in the majority of patient samples, with those expressing ROR2 having decreased overall survival. A similar correlation between ROR2 expression level and overall survival was observed in NSCLC and metastatic melanoma. Genetic inactivation of ROR2 in metastatic melanoma cells was shown to prevent metastases of these tumor cells in mice. ROR2 also has essential roles in normal cells and in early development. Inactivation of ROR2 is lethal in mice with defects observed in the heart, nervous system and skeleton. Less severe mutations in ROR2 in humans is associated with skeletal diseases such as Robinow syndrome and brachydactyly type B.

Ozuriftamab vedotin is a CAB anti-ROR2 ADC consisting of a CAB anti-ROR2 humanized IgG1 monoclonal antibody conjugated to MMAE using a cleavable linker. Ozuriftamab vedotin is designed to specifically and reversibly bind to ROR2 in conditions found within the tumor microenvironment, thus conferring a selectivity binding advantage for tumors over normal cells. Upon binding of ozuriftamab vedotin to ROR2 on the surface of tumor cells, it is internalized and the MMAE cytotoxin is released, thus killing the cancer cell.

Ozuriftamab vedotin has shown promising overall response rates in SCCHN and the FDA has granted Fast-Track designation for ozuriftamab vedotin in SCCHN. Having observed multiple durable responses including a confirmed complete response among patients with HPV-associated OPSCC we are planning a Phase 3 trial for patients with OPSCC who have previously received anti-PD-(L)1 therapy and platinum-containing therapy (the "Phase 3 Study"). We have received guidance from FDA that 1.8 mg/kg of ozuriftamab vedotin delivered every other week satisfies dose optimization requirements. However, in connection with the strategic process, we are re-evaluating the timeline to commence the Phase 3 Study.

Mecbotamab vedotin (BA3011): Our clinical stage product candidate, mecbotamab vedotin, or BA3011, is a CAB ADC that targets AXL, a protein kinase receptor that is expressed on the surface of many tumors. AXL is considered to be a driver of many cellular processes that are critical for the development, growth and spread of tumors, including proliferation, invasiveness and migration, stemness, which is related to core stem cell properties such as self-renewal and differentiation, angiogenesis, or the growth of blood vessels, and immune modulation. AXL has been shown to be involved in the epithelial-mesenchymal transition, or EMT, a process by which epithelial cells lose their cell polarity and cell-cell adhesion, and gain migratory and invasive properties to become mesenchymal stem cells ("MSCs"). MSCs are home to developing aggressive tumors, where they exacerbate cancer cell proliferation, motility, invasion and metastasis, foster angiogenesis, promote tumor fibrosis and suppress antitumor immune responses. Several therapeutic agents that target AXL have been developed and investigated in clinical trials, and several small-molecule AXL kinase inhibitors have been developed by others; however, the majority of these inhibitors, including one that is approved, are not highly selective for AXL. Although other non-CAB anti-AXL antibodies and ADCs have shown encouraging clinical signs of antitumor activity, adverse events, such as high-grade constipation and peripheral neuropathy, were particularly pronounced and led to discontinuation of clinical development of some candidates.

Mecbotamab vedotin is an ADC consisting of a CAB humanized immunoglobulin G, ("IgG1"), anti-AXL monoclonal antibody. The core antibody is conjugated using a cleavable linker attached to the well-known and proven toxin monomethyl auristatin E, or MMAE. Mecbotamab vedotin is designed to specifically and reversibly bind to AXL in conditions found within the tumor microenvironment, thus conferring a selectivity binding advantage for tumors over normal cells. Upon binding of mecbotamab vedotin to AXL on the surface of tumor cells, it is internalized and the MMAE cytotoxin is released, thus killing the cancer cell.

We have conducted a Phase 2 study (BA3011-002) in NSCLC patients who have previously progressed on PD-1 / programmed cell death ligand 1 ("PD-L1"), epidermal growth factor receptor ("EGFR"), or anaplastic lymphoma kinase ("ALK") inhibitor therapy. We also conducted a Phase 2 study in sarcoma in patients who were ineligible for chemotherapy or have received at least one regimen containing anthracycline. In both Phase 2 indications, we have enrolled patients either as a monotherapy or in combination with a PD-1 inhibitor, nivolumab. Both the monotherapy and combination treatment are broadly well tolerated with most events being low grade and reversible with no clinically meaningful on-target toxicity observed during the course of treatment. Drug-related adverse events appear likely to have been related to free-circulating MMAE payload-associated toxicity including reversible neutropenia, elevated liver function test and hyperglycemia which were all manageable and with low incidence. Our Phase 2 study in NSCLC has shown promising long-term survival in heavily pre-treated mutated KRAS NSCLC patients with mecbotamab vedotin at Q2W both as monotherapy and in combination with nivolumab.

We have conducted a Phase 2, single-arm trial with mecbotamab vedotin monotherapy in patients with undifferentiated pleomorphic sarcoma ("UPS") who have experienced prior treatment failure. We continue to see encouraging efficacy in AXL positive UPS patients, however, there is a potential need for a companion diagnostic and a likely requirement of a randomized trial in UPS. As a result, we may prioritize the larger, mutated KRAS NSCLC opportunity which shows high correlation with AXL expression, thereby utilizing an approved readily available companion diagnostic for KRAS mutations. Both soft tissue and bone sarcoma, as well as other indications including mutated KRAS NSCLC, remain promising for potential future development through partnership with other companies.

Evalstotug (BA3071): Our clinical stage product candidate, evalstotug, is a CAB anti-CTLA-4 antibody that has been developed to the completion of Phase 1 and 2 as an immuno-oncology agent with the goal of delivering at least the efficacy of approved CTLA-4 antibodies, such as ipilimumab, but with lower toxicity rate as a result of the CAB's unique tumor microenvironment-restricted binding. Cytotoxic T-lymphocyte-associated antigen 4 ("CTLA-4"), is an immune checkpoint involved in regulating T-cell activation. The primary role of immune checkpoints is to prevent autoimmune attacks against normal tissue in the body; however, cancer cells often take advantage of this pathway to prevent immune destruction of the tumor. Ipilimumab and tremelimumab currently are the only anti-CTLA-4 monoclonal antibodies approved by the FDA. Ipilimumab is approved as a single agent for the treatment of melanoma, and in combination with an anti-PD-1 antibody for the treatment of several solid tumors, including melanoma, renal cell carcinoma, colorectal cancer and NSCLC, and tremelimumab is approved in combination with an anti-PD-L-1 antibody for the treatment of unresectable hepatocellular carcinoma and NSCLC. Patients treated with these checkpoint inhibitors face the risk of adverse events associated with inappropriate activation of the immune system beyond the tumor site including severe and sometimes fatal enterocolitis, hepatitis, dermatitis, neuropathy and endocrinopathy. Consequently, usage and dosage of these checkpoint inhibitors is highly limited due to their safety profile.

We have advanced evalstotug as a potential therapeutic for solid tumor indications. We have completed a dose-escalation trial of evalstotug as monotherapy and in combination with an anti-PD-1 antibody. We have reached the planned maximum dose of 1000 mg with maximum tolerated dose ("MTD") not being reached. A Phase 2 study was initiated at a dose of either 350mg or 700mg in combination with the PD-1 inhibitor, pembrolizumab, for dose optimization. Evalstotug has shown promising efficacy in several indications. Most related adverse events in the Phase 1 and 2 were low grade with acceptable tolerability.

Preclinical candidates

We have several assets that are in varying stages of development and have been positioned for partnering.

BA3361 (CAB-Nectin-4-ADC)

Nectin-4 is widely expressed and has adhesive roles in normal tissues. The CAB selectivity to target Nectin-4 in the tumor microenvironment is critical in providing the necessary safety to deliver the drug conjugate selectively to cancerous tissue. A clinical candidate was selected from a set of lead molecules that were characterized by multiple assays including functional assays. In addition to the assay performance, the lead candidate demonstrated high binding under tumor conditions and little to no binding under normal physiological conditions. We have received FDA clearance of our IND for BA3361.

Bispecific preclinical candidates

We believe that our CAB technology opens up the opportunity for the creation of a broad set of bispecific product candidates with antitumor potential. Through these CAB bispecific antibodies, we believe we can activate T cells directly in tumors while minimizing systemic activation. We believe our CAB bispecific antibodies may allow for increased efficacy through more potent T cell activation, higher doses or administration in combination with other immuno-oncology therapies, such as checkpoint inhibitors. We have shown in preclinical experiments that our CAB bispecific molecules meet or exceed the activity of conventional bispecifics and reduce systemic activation of potentially fatal immune responses.

BA3142 (CAB-B7-H3 x CAB-CD3)

Our second bispecific product candidate, BA3142, is a dual-CAB T-cell engager targeting B7-H3, a protein expressed on many solid tumors. The lead molecule was characterized by multiple assays including functional assays, and by preclinical efficacy studies in a xenograft model of human pharyngeal cancer using mice with a humanized immune system. The lead molecule showed antitumor activity comparable to a non-CAB antibody while demonstrating lower binding and functional activity under physiological conditions, as expected for a CAB bispecific antibody. Cell line development and *in vivo* efficacy study are completed. We have manufactured sufficient supply of BA3142 to enable the Company to complete an IND and initiate a Phase 1 clinical trial in the near term with additional funding or through a partnership.

CAB-Nectin 4 x CAB-CD3 (formerly BA3362)

We out-licensed a pre-clinical Nectin 4 T-cell engager to Context Therapeutics in 2024. See further discussion in the Licensing and Strategic Collaboration section below.

Our CAB technology

The fundamental specificity challenge with traditional monoclonal antibody-based therapy is that there are few known antigens that are specific to tumors and absent in non-cancerous tissues. Drug developers might develop an antibody that is exquisitely specific against its target, but due to the expression of the target on non-tumor cells, systemic administration can result in dose-limiting toxicities from on-target, off-tumor activity.

The majority of anticancer antibody-based drug products are consequently limited to a small subset of potential tumor antigens. We believe that our novel approach to increase the selectivity of antibody-based therapeutics while maintaining their potency may have the potential to fundamentally transform the development of anticancer therapeutics and expand the universe of targets for novel antibody-based therapies.

Our CABs are based on our patented protein discovery and engineering technology. We invented, developed, and refined this technology, which we believe selectively enables the binding of proteins and antibodies to targeted cells in the tumor microenvironment based on differences in local conditions such as pH, temperature, or chemical composition compared to normal healthy tissue. We have shown that activity of our CAB biologics is reversible; not only are they active due to the low pH levels of the tumor microenvironment, but also, unlike prodrugs, they are reversibly inactive when they leave the tumor microenvironment and are in a normal physiological environment.

Our CAB technology capitalizes on the well-established Warburg Effect that through a glycolytic process leads to an acidic external tumor microenvironment. Extracellular pH levels in tumors have been measured to be as low as pH 5.8 compared to the tightly controlled, alkaline, pH 7.4 of blood, with even higher pH in healthy tissues. Glycolytic metabolism is also the basis of the established PET scanning technology for detection of cancerous tumors. CAB proteins have increased binding activity as the pH in the microenvironment becomes acidic, while being inactive in normal physiological environments. We discovered a novel chemical switch mechanism that underpins this binding activity that involves physiologically occurring chemicals, such as bicarbonate and hydrogen sulfide. These molecules are negatively charged at physiological conditions and interact with positive charged areas on the protein surface. Under acidic conditions found in the tumor microenvironment, these charged molecules are neutralized by the H+ ions and released from the protein surface, uniquely allowing CAB antibodies to bind to their target and attack the tumor cell. We refer to this novel physiological mechanism, used for generating CABs, as Protein-associated Chemical Switch(es)^{TM} or PaCS mechanism. The ability to design conditionally active therapeutics with strong selectivity over narrower pH ranges using the PaCS mechanism offers the opportunity to greatly enhance both the safety and potency of future therapies for solid tumors.

We have used and continue to leverage our patented CAB technology to screen antibody candidates for multiple characteristics. By doing so, we can evolve specific regions on the antibody that will only bind in response to environmental conditions, either enhancing or eliminating binding. Our CAB technology allows us to select antibodies that preferentially bind to the target under the conditions of interest, such as high local acidity (i.e. low pH). CAB antibodies have human or humanized antibody sequences, a characteristic that reduces the risk of immunogenicity compared to emerging technologies in the field, which is supported by both our preclinical and clinical data.

Our CAB antibodies have been designed to be active in the acidic, lower pH of the tumor microenvironment and inactive under the alkaline pH of 7.4 and above found in normal physiological conditions. In a quantitative *in vitro* binding assay, we compared a CAB antibody and a non-CAB antibody that both bind to the target AXL with matched strength of binding to the target, or affinities, when measured at pH 6.0. The binding of the CAB antibody was highly sensitive to pH with binding becoming much weaker as pH approached 7.0 and almost undetectable at a physiological pH of 7.4. In contrast, a non-CAB antibody to AXL showed indiscriminate and experimentally equivalent binding across the entire pH range tested, including at pH 7.4 of normal cells. Our CAB development process is capable of identifying CAB antibodies with a range of sensitivities to pH.

Low pH-dependent CAB antibodies are far less likely to bind to targets outside of tumors, resulting in several potential advantages over traditional antibodies:

- **Wide therapeutic window.** Reduced binding to target antigens outside of the tumor has the potential to reduce toxicities that arise from systemic exposure. We believe this may enable higher doses or increased potency to be safely delivered to patients with the potential for increased efficacy.

- **Opportunity to increase tumor-specific killing.** The wide therapeutic window imparted by tumor-specific targeting enables CAB antibodies to be modified with cytotoxic drugs to create ADCs. Similarly, bispecific antibodies can be developed using CAB antibody domains targeting pairs of targets that direct T cells to attack the tumor, thereby reducing the likelihood of unacceptable normal tissue injury if constructed using traditional antibody domains.

- **Increased drug exposure to tumors.** Limited binding to targets outside of tumors allows more of the administered CAB antibodies to be available to bind to target sites in the tumor, potentially increasing the concentrations and exposure of these antibodies in tumors.

- **Improved pharmacokinetics.** Limited binding to targets outside of tumors effectively increases their half-life in plasma. The phenomenon of target-mediated drug disposition ("TMDD"), is a well-known limitation facing the development of many biologics, which CAB antibodies can significantly reduce.

- **Broader universe of tumor-specific antigens that can be targeted.** There are few highly prevalent tumor-specific antigens expressed on solid tumors, which represent approximately 90% of tumor types, that are not expressed at some level in normal tissues. While some targets, such as EGFR, can be targeted by traditional antibodies with some acceptable level of toxicity in a subset of patients, many other potential targets cannot. CAB antibodies with pH-dependent binding have the potential to significantly reduce the potential risk of systemic toxicities caused by expression of targets on normal tissues.

Through the use of our proprietary technology, we have developed CAB antibodies which we believe have specificity for tumors, while avoiding binding to the same antigen target expressed on many normal tissues. This allows us to develop therapeutics against targets that are expressed at high levels on tumor cells but are also present on normal cells and tissues, without the toxicities associated with traditional antibodies. While our lead product candidates primarily exploit the differences in pH between the tumor microenvironment and healthy tissue, there is a potential for other yet to be identified PaCS molecules in disease related microenvironments, whether controlled through pH concentration, or other molecular characteristics (intra- or intermolecularly) for enhancing a drug's therapeutic index. Potential new therapeutic candidates addressing these opportunities are not limited to antibodies, but may also include small molecules, encompassing lipids, sugars and nucleic acid-based agents or drugs. Further, it is expected that PaCS protein-chemical systems are important naturally occurring regulatory systems linked to a range of disease-related microenvironments, including cancer, inflammation and cellular senescence.

Competition

The biotechnology and biopharmaceutical industries, including the oncology subsector, are characterized by rapid evolution of technologies, competition and strong defense of intellectual property. Any product candidates that we successfully develop and commercialize may have to compete with existing therapies and new therapies that may become available in the future. While we believe that our patented technology platform, intellectual property, know-how and scientific expertise in the field of biologics and immuno-oncology provide us with certain competitive advantages, including the ability of our product candidates to be active under conditions representative of the tumor microenvironment and not in normal cell conditions, we face potential competition from a wide variety of institutions, including large biopharmaceutical companies, specialty biotechnology companies, academic research departments and public and private research institutions. In immuno-oncology, we face substantial competition in the form of competing approaches to targeted antibody therapy in general, as well as competing treatments for the same types of cancer that we would plan to address with our pipeline of product candidates.

There are several companies in various stages of clinical development of ADCs, one of the key features of our product candidates mecbotamab vedotin and ozuriftamab vedotin. Currently, there are several approved ADCs and many more in clinical development, the vast majority of which are being developed for the treatment of cancer. Certain other companies are also pursuing antibody therapies in immuno-oncology. Although we do not believe competing companies have selective CAB technology, there is a wide array of activity in immune-based cellular therapies for oncology.

In addition, if any of our product candidates are approved in oncology indications such as pancreatic, breast and other cancers, they may compete with existing biologics and small molecule therapies, or may be used in combination with existing therapies. There are also many other therapies under development that are intended to treat the same cancers that we are targeting or, although yet to be identified, may target with our CAB technology platform, including through approaches that could prove to be more effective, have fewer side effects, be cheaper to manufacture, be more convenient to administer or have other advantages over any products resulting from our technology.

Many of our competitors, either alone or with strategic partners, have substantially 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. Accordingly, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market acceptance, rendering our treatments obsolete or non-competitive. Accelerated merger and acquisition activity in the biotechnology and biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. These companies also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials and acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. The level of generic competition and the availability of reimbursement from government and other third-party payors will also significantly affect the pricing and competitiveness of our products. In addition, our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

Manufacturing

Our CAB antibodies are designed and produced using our patented Comprehensive Integrated Antibody Optimization™ ("CIAO!") technology. The successful evolution, design, and development of a CAB antibody with specific characteristics and qualities require that the development and manufacturing processes result in the CAB antibody with the desired properties. We have developed our patented process of CIAO! that integrates into the design process the critical features for subsequent development steps and manufacturing. A key element of the CIAO! process is that all design and development of the antibody is conducted in a mammalian cell line such as Chinese hamster ovary. This host cell is essentially identical to that used for manufacturing the majority of antibodies. This integrated and efficient approach is designed to provide consistency of the folding, glycosylation and other critical features throughout the development and commercialization process for improved activity, selectivity and yields in manufacturing.

To date, we have been able to successfully manufacture our investigational product candidates for our ongoing early-stage clinical trials with contract manufacturers. However, we currently do not own or operate any manufacturing facilities. We rely and expect to continue to rely for the foreseeable future, on third-party contract manufacturing organizations to produce our product candidates for preclinical and clinical testing, as well as for commercial manufacture if our product candidates receive marketing approval. We also expect to rely on third parties for the design, development and manufacture of companion diagnostic tests for our product candidates that require such tests. Furthermore, the raw materials for our product candidates may be sourced, in some cases, from a single-source supplier. As part of the manufacture and design process for our product candidates, we rely on internal, scientific and manufacturing know-how and trade secrets and the know-how and trade secrets of third-party manufacturers. We also contract with additional third parties for the filling, labeling, packaging, storage and distribution of investigational drug products. We believe that this strategy allows us to maintain a more efficient infrastructure by eliminating the need for us to invest in our own manufacturing facilities, equipment and personnel while also enabling us to focus our expertise and resources on the development of our product candidates. We maintain agreements with our manufacturers that include confidentiality and intellectual property provisions to protect our proprietary rights related to our product candidates. We have personnel with significant technical, manufacturing, analytical, quality, including current good manufacturing practices ("cGMPs"), and project management experience to oversee our third-party manufacturers and to manage manufacturing and quality data and information for regulatory compliance purposes.

Collaborations

We intend to selectively enter into collaborations with preclinical and/or clinical assets, particularly where potential collaborators can both accelerate and maximize a therapeutic's market potential.

License Agreements and Strategic Collaborations

Collaboration and Supply Agreement with Bristol-Myers Squibb

On January 5, 2022, we and Bristol-Myers Squibb Company ("BMS") entered into a clinical trial collaboration and supply agreement (the "BMS Agreement"). Under the terms of the BMS Agreement, BioAtla and BMS will collaborate on clinical trials of separate combination therapies using two of BioAtla's CAB ADCs, mecbotamab vedotin (BA3011) and ozuriftamab vedotin (BA3021), each in combination with Opdivo® (nivolumab), BMS' proprietary anti-PD-1 monoclonal antibody product. We serve as the study sponsor of the scheduled studies and are responsible for costs associated with the trial execution. BMS provides Opdivo® clinical drug supply at no cost for the combination study trials. After the completion of the combination therapy trials, we are obligated to provide BMS with a final report of the data resulting from the trial. The BMS agreement was amended in October 2022 to include additional territories for our combination study trials for mecbotamab vedotin and ozuriftamab vedotin.

Global Co-Development and Collaboration Agreement with BeOne Medicines, Ltd.

In April 2019, we entered into a Global Co-Development and Collaboration Agreement with BeOne Medicines, Ltd. (f/k/a BeiGene, Ltd.) ("BeOne"), which, as amended in December 2019 and October 2020, provided for the development, manufacturing and commercialization of BioAtla's investigational CAB CTLA-4 antibody, evalstotug (BA3071). Under the terms of our BeOne collaboration, BeOne was generally responsible for developing evalstotug and for global regulatory filings and commercialization. We received a total of $25 million in payments from BeOne.

On November 19, 2021, we entered into Amendment No. 3 to the Global Co-Development and Collaboration Agreement ("Amendment No. 3"). Under Amendment No. 3, the collaboration agreement was terminated, subject to survival of certain provisions, and BeOne handed back rights to certain know-how and materials received under the collaboration agreement and we assumed responsibility for the development and commercialization of evalstotug, in addition to other standard provisions. As consideration for Amendment No. 3, we agreed to pay BeOne mid single digit royalties on sales worldwide and on a limited basis will share in any upfront and milestone payments received through a sublicense of evalstotug.

Amended and Restated Exclusive Rights Agreement with Himalaya Therapeutics SEZC

In January 2020, we entered into an Amended and Restated Exclusive Rights Agreement with Himalaya Therapeutics SEZC. Under the terms of the agreement, we granted Himalaya Therapeutics SEZC an exclusive, sublicensable license under certain patents and know-how controlled by us to develop, manufacture, conduct clinical trials, obtain regulatory approval of and commercialize 10 CAB-antibodies for the territory of the People's Republic of China, Macao, Hong Kong and Taiwan and a CAB-HER2-bispecific-antibody worldwide, in each case in the field of the treatment of cancer in humans. We also granted Himalaya Therapeutics SEZC an exclusive, sublicensable license under certain patents and know-how controlled by us to develop, manufacture, conduct clinical trials, obtain regulatory approval of and commercialize an IL-22 non-CAB-antibody worldwide, which option rights are subject to certain co-development plans in the agreement for the joint development and commercialization of the IL-22 non-CAB-antibody by Himalaya Therapeutics SEZC and us. The term of the agreement continues unless terminated by mutual written consent of the parties and also contains customary provisions for termination by either party. Payments to us may include upfront payments, milestone payments and royalties equal to the lower of (i) the low teens of annual net sales and (ii) the mid-twenties of the royalties and other comparable payments received by Himalaya Therapeutics SEZC from third parties, which represent a variable interest held by us, but no payments have been made to date. The royalty term, on a product-by-product and country-by-country basis, is the period of time commencing on the first commercial sale of such product in such country and expiring upon the latest of (i) the expiration of the last valid claim in a patent covering the composition of matter or method of use for such product licensed under the agreement in such country, (ii) the expiration of any other exclusivity protection of such licensed product in such country, and (iii) the 15th anniversary of the date of first commercial sale of such product in such country. We are eligible to receive up to $77.5 million in upfront payments and potential milestones.

License Agreement with Context Therapeutics Inc.

In September 2024, we entered into a License Agreement (the “Context License Agreement”) with Context Therapeutics Inc. (“Context”). Under the terms of the Context License Agreement, BioAtla granted Context an exclusive, worldwide license to develop, manufacture and commercialize two licensed antibodies, including BA3362 (renamed by Context as CT-202), our Nectin-4 x CD3 T cell engaging (TCE) bispecific antibody (the “License”). We also transferred know-how, including any necessary materials Context would need to perform research and development. In exchange for the License, we are eligible to receive up to $133.5 million in aggregate payments, including an upfront cash payment and potential development, regulatory and commercial milestones, as well as tiered mid-single digit to low double-digit royalties on future net sales of the products. In connection with the execution of the Context License Agreement, the Company also entered into an agreement with Himalaya Therapeutics SECZ, a related party (See Note 10).

Investment Agreement with Inversagen AI

On December 30, 2025, we entered into an Investment Agreement (the “Investment Agreement”) with Inversagen AI, LLC, a Delaware limited liability company (“Inversagen AI”), and Alliance International Resources Corp., a Nevada corporation (“AIRC”). Subject to completion of financings by Inversagen AI as set forth in the Investment Agreement, we agreed to sell common units in a subsidiary, BA 3021 SPV LLC (the “SPV”), to Inversagen AI in a private placement over multiple closings. Upon completion of the transaction, Inversagen AI would own an aggregate 35% of the common units in the SPV in exchange for an aggregate $40 million. Concurrently with the initial closing, we agreed to enter into an exclusive license agreement (the “License Agreement”) with the SPV in which we would grant to the SPV, an exclusive, worldwide, perpetual and irrevocable license to BioAtla’s intellectual property rights in ozuriftamab vedotin (“Oz-V”). We agreed to grant the SPV the right to develop and commercialize Oz-V for all human uses, other than diseases (in all cases excluding oncology) in humans involving senescent cell elimination therapy.

We planned to use the gross proceeds received from the sale of the SPV common units to Inversagen AI for general operating expenses and clinical trial expenses to advance Oz-V in the Phase 3 Study. However, in connection with recent events, including the recently announced formal process to explore and evaluate strategic options and related workforce reduction, the transaction has not closed and the timing of completing the transaction and initiation of the Phase 3 Study are being re-evaluated, and we are in discussions to potentially restructure the transaction pending the outcome of the strategic process.

As discussed in Note 10 of our consolidated financial statements, Inversagen, LLC holds an exclusive license to CAB senescence and longevity technologies from the Company. Inversagen, LLC subsequently contributed these rights to Inversagen AI. Inversagen, LLC and Inversagen AI are deemed to be related parties of the Company.

Intellectual property

Since inception, we have recognized the value of strong, defensible and relevant intellectual property protection. We seek to protect our technologies and products and the potential market for such technologies and products. To accomplish this goal, we apply for patents covering our processes and compositions. We also apply for patents covering developments and technologies for purpose of preventing third parties from developing competing products. Inventions related to various aspects of our core technologies have already been protected by issued and pending patent applications. As of February 1, 2026, we had 868 patents and patent applications with 597 issued patents, 13 allowed applications, and 258 pending applications.

We recognize that the ability to obtain patent protection and the degree of such protection depends on several factors, including the extent of the prior art, the novelty of the invention, the obviousness of the invention and the ability to satisfy the enablement and written description requirements of the patent laws. We file all relevant types of patent applications to protect our intellectual property, including patent applications with claims directed to our processes and products, and applications and uses thereof.

We file our applications with the U.S. Patent and Trademark Office (the "USPTO") to establish a priority filing date. Generally, we initially file provisional applications. Provisional applications are designed to provide a lower-cost first patent application filing in the United States. Corresponding non-provisional patent applications must be filed not later than 12 months after the filing date of the first provisional application filed for an invention. In some cases, multiple provisional applications have been filed within a 12-month period to capture incremental developments within the 12-month priority period while obtaining an early filing date for each development. The corresponding non-provisional patent applications benefit from the provisional applications(s) since the priority date(s) of these non-provisional patent applications is/are the earlier provisional application filing date(s), and because the patent term of the finally issued patents are calculated from the later, non-provisional patent application filing dates. This system allows us to obtain an early priority date, add material to the patent application(s) during the priority year, obtain a later start to the patent term and delay prosecution costs, which may save costs in the event that we decide not to pursue examination in an application.

Subsequently, when appropriate, we pursue patent applications in foreign countries. The Patent Cooperation Treaty ("PCT") system for filing international patent applications is used. This system allows a single application to be filed within 12 months of the original priority date of the patent application designating all 157 PCT member states (including countries in South, Central and North America, Africa, Europe, Asia and Australia) in which national/regional patent applications can later be pursued based on the international patent application filed under the PCT. At the end of a period of 2 1/2 years from the first priority date of the PCT patent application, separate patent applications can be pursued in any of the 157 PCT member states either by direct national filing or, in some cases, by filing through a regional patent organization such as the European Patent Organization. The PCT system delays expenses, allows a limited evaluation of the chances of success for national/regional patent applications and enables substantial cost savings where applications are abandoned within the first 2 1/2 years of filing.

We continuously reassess the number and type of patent applications, as well as the pending and issued patent claims to ensure that maximum patent coverage and value are obtained for our processes, and compositions, given existing patent office rules and regulations. Further, pending patent claims may be modified during patent prosecution to meet our intellectual property and business needs.

We also perform non-infringement searches and analyses for our existing technologies and will continue to do so for future commercial processes and products. For our new developments, we regularly perform expert searches and reviews, and monitor patents and patent applications by third-party competitors. Our policy of avoiding patent infringement is diligently executed. To the best of our knowledge as of the date of this Annual Report on Form 10-K, we have freedom to operate on all of our technologies and product candidates.

The patent positions of biotechnology and biopharmaceutical companies like ours are generally uncertain and involve complex legal, scientific and factual issues. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and the scope of an issued patent can be reinterpreted or further altered even after patent issuance. Consequently, we may not obtain or maintain adequate patent protection for any of our product candidates or for our technology platform. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. Any patents that we hold may be challenged, circumvented or invalidated by third parties. For a more comprehensive discussion of the risks related to our patents, please see "Risk factors—Risks related to our intellectual property."

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application related to the patent. A U.S. patent may be accorded a patent term adjustment ("PTA"), under certain circumstances to compensate for delays in granting the patent caused by the United States Patent and Trademark Office. In some instances, such a PTA may result in a U.S. patent term extending beyond 20 years from the earliest date of filing a non-provisional patent application related to the U.S. patent. In addition, in the United States, the term of a U.S. patent that covers an FDA-approved drug may be eligible for a patent term extension, which permits patent term restoration as compensation for the patent term lost during the FDA regulatory review process. The Hatch-Waxman Act permits a patent term extension of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended. Similar provisions are available in Europe and other foreign jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our products receive regulatory approval, we expect to apply for patent term extensions on patents covering those products. We plan to seek patent term extensions to any of our issued patents in any jurisdiction where these are available; however, there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and, if granted, the length of such extensions.

We further own trade secrets relating to our technology platform and product candidates, and we maintain the confidentiality of proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual during the course of the individual's relationship with us are to be kept confidential and not disclosed to third parties except in specific circumstances. Our agreements with employees and consultants also provide that all inventions conceived by the employee in the course of employment or work with us or from the employee's or consultant's use of our confidential information are our exclusive property. For a more comprehensive discussion of the risks related to our trade secrets, please see "Risk factors—Risks related to our intellectual property."

Company-owned patents

Mecbotamab vedotin is covered by many filings, including a published PCT application filed in 2017 that entered the national phase in 2018. Applications have been granted in Albania, Australia, Canada, Croatia, Cyprus, Czech Republic, Europe, Greece, Hungary, Israel, India, Japan, Korea, Macedonia (former Yugoslav Republic), Malta, Mexico, Monaco, Norway, Poland, San Marino, Serbia, Singapore, Slovakia, Spain, Switzerland, Taiwan, Turkey, the United Kingdom and the United States and are pending in 8 jurisdictions, including most major market countries. Composition of matter claims issuing from this application would not expire before 2037.

Ozuriftamab vedotin is covered by many filings, including a published PCT application filed in 2017 that entered the national phase in 2018. Applications have been granted in Albania, Australia, Belgium, Bulgaria, China, Croatia, Cyprus, Czech Republic, Europe, Germany, Denmark, Estonia, Finland, France, Greece, Hungary, Iceland, Ireland, Israel, India, Italy, Japan, Korea, Lithuania, Luxembourg, Latvia, Macedonia (former Yugoslav Republic), Malta, Mexico, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovenia, Slovakia, Spain, Switzerland, Taiwan, Turkey, the United Kingdom and the United States and are pending in 13 jurisdictions, including most major market countries. Composition of matter claims issuing from this application would not expire before 2037.

Evalstotug is covered by many filings, including a published PCT application filed in 2019 that entered the national phase in 2021. Applications have been granted in Australia, Canada, Israel, Japan, Korea, New Zealand, Russia, Singapore, Taiwan and the United States and are pending in 16 jurisdictions, including most major market countries. Composition of matter claims issuing from this application would not expire before 2039.

Our CAB-anti-EpCAM antibody is covered by many filings, including a published PCT application filed in 2020 that entered the national phase in 2022. Applications have been granted in Australia, China, Hong Kong, Israel, Japan, Korea, Taiwan and the United States and are pending in 6 jurisdictions, including most major market countries. Composition of matter claims issuing from this application would not expire before 2040.

Our CAB-anti-Nectin-4 antibodies are covered by many filings, including 12 national phase filings and a granted and pending application in Taiwan. Composition of matter claims issuing from these applications would not expire before 2044.

Core components of our product candidates are protected by company-owned platform applications directed to novel methods of protein evolution, methods of making conditionally active biologics, integrated selection and evolution of antibodies and proteins in expression production hosts, multi-specific antibodies and methods of making, modified antibody regions, conditionally active biological proteins, proteins targeting orthologs, discovery of and production of conditionally active biologic proteins in eukaryotic cell production hosts, conditionally active chimeric antigen receptors for modified T-cells, diagnostics using conditionally active antibodies, conditionally active polypeptides, antibodies targeted to senescent cells, conditionally active proteins for neurodegenerative diseases, and conditionally active proteins with pH selectivity. We also have 30 issued U.S. patents covering various aspects of the manufacturing methods used to generate CAB antibodies that have patent terms expiring from 2030 to 2038, excluding potential patent term extensions.

Out-licensed patents

Himalaya Therapeutics SEZC has exclusive rights to patents/patent applications in China, Macao, Hong Kong and Taiwan relating to ROR2 (patent application 2017800294276 (China) and patent application 106115891 (Taiwan), both titled “Anti-ROR2 antibodies and their immunoconjugates and uses thereof”) and relating to AXL (patent applications 201780023876X (China) and patent application 106112687 (Taiwan), both titled “Anti-AXL antibodies and their immunoconjugates and uses thereof”). Additionally, Himalaya Therapeutics SEZC has exclusive worldwide rights to patents/patent applications relating to IL-22 (Patent applications 108119613 and PCT/US19/35395, both titled “Anti-IL-22 antibodies, antibody fragments and their immunoconjugates and uses thereof”) and relating to HER2 (patent application USP 62/964,747 titled “Conditionally active anti-HER2 antibodies”).

In September 2024, the Company granted Context Therapeutics an exclusive worldwide license to develop, manufacture, and commercialize two licensed antibodies, including a CAB Nectin-4 x CD3 T-Cell engaging bispecific antibody, and non-exclusive rights to BioAtla's enabling technology to the extent necessary to exploit the licensed antibodies. See Note 9 to our consolidated financial statements for further details.

BioAtla Holdings, LLC has exclusive worldwide rights to all patents for the field of adoptive cell immunotherapy “ACT” (chimeric antigen receptor (CAR) T-cell (“CAR-T”)), excluding the targets licensed to EXUMA Biotech Corp (“EXUMA”).

Inversagen, LLC has exclusive worldwide rights to all patents solely in the field of diseases associated with aging (outside of cancer), diagnostics related thereto and an immuno-oncology antibody.

EXUMA has an exclusive worldwide license to all patents solely to develop, make, have made, use, sell, have sold, offer for sale and import CAR-T products to four named targets for the treatment of cancer. EXUMA’s rights under the agreement exclude the right to grant sublicenses to third parties to discover, develop or manufacture any CAB ACT or any component of our CAB ACT technology, except as used in or incorporated into EXUMA’s ACTs for cancer.

Government Regulation and Product Approval

Government authorities in the United States, at the federal, state and local level and in other countries and jurisdictions, including the European Union, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of biological product candidates such as those we are developing. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources and we may not be able to obtain the required regulatory approvals.

Licensure and Regulation of Biologics in the United States

In the United States, the FDA regulates biologic products under the Federal Food, Drug, and Cosmetic Act (the "FDCA"), the Public Health Service Act ("PHSA"), and regulations and guidance implementing these laws. The FDCA, PHSA and their corresponding regulations, and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacturing, safety, purity, potency, labeling, packaging, storage, record keeping, approval, distribution, post-approval monitoring and reporting, sampling, import, export, advertising and other promotional practices involving biologic products. Biological products used for the prevention, treatment or cure of a disease or condition of a human being are subject to regulation under the FDCA, except the section of the FDCA that governs the approval of new drug applications ("NDAs"). Biological products are approved for marketing under provisions of the PHSA, via a BLA. However, the application process and requirements for approval of BLAs are very similar to those for NDAs, and biologics are associated with similar approval risks and costs as drugs. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as clinical hold, FDA refusal to approve pending NDAs or BLAs, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

U.S. biologic products development process

Biological product candidates must be approved by the FDA pursuant to a BLA before they may be legally marketed in the United States. The process generally involves the following:

- Completion of extensive preclinical laboratory tests and *in vivo* studies in accordance with the FDA's current good laboratory practice ("GLP") regulations and applicable requirements for the humane use of laboratory animals or other applicable regulations;
- Submission to the FDA of an IND, which must become effective before clinical trials may begin;
- Approval by an independent institutional review board ("IRB"), reviewing each clinical site before each clinical trial may be initiated;
- Performance of adequate and well-controlled clinical trials in accordance with the FDA's IND regulations, good clinical practice ("GCP") requirements, and any additional requirements for the protection of human research subjects and their health information, to establish the safety and efficacy of the proposed biologic product candidate for its intended use;
- Preparation and submission to the FDA of a BLA for marketing approval that includes substantial evidence of safety, purity and potency from results of nonclinical testing and clinical trials;
- A determination by the FDA within 60 days of its receipt of a BLA to file the application;
- Satisfactory completion of FDA pre-approval inspections of the manufacturing facility or facilities where the biologic product candidate is produced to assess compliance with cGMPs and to assure that the facilities, methods and controls are adequate to preserve the biologic product candidate's identity, safety, strength, quality, potency and purity;
- Satisfactory completion of any potential FDA audits of the nonclinical and clinical trial sites that generated the data in support of the BLA to assure compliance with GCPs and integrity of the clinical data;
- Payment of user fees for FDA review of the BLA;
- Review of the product by an FDA advisory committee, if applicable;
- FDA review and approval of the BLA.

Preclinical studies

Before testing any biologic product candidate in humans, the product candidate must undergo rigorous preclinical testing. Preclinical tests, also referred to as nonclinical studies, include laboratory evaluations of product chemistry, toxicity and formulation, as well as *in vivo* animal studies to assess the potential safety and activity of the product candidate and to establish a rationale for therapeutic use. The conduct of the preclinical tests must comply with federal regulations and requirements including GLPs.

The clinical trial sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, among other things, to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational product to humans and must become effective before human clinical trials may begin. Some preclinical testing may continue even after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to a proposed clinical trial and places the trial on clinical hold, including concerns that human research subjects will be exposed to unreasonable health risks. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Accordingly, submission of an IND may or may not result in the FDA allowing clinical trials to commence.

Clinical trials under an IND

Clinical trials involve the administration of the biologic product candidate to healthy volunteers or patients under the supervision of qualified investigators, who are generally physicians not employed by, or under, the control of the trial sponsor. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with GCPs, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors and (iii) under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated in the trial. Further, each clinical trial must be reviewed and approved by an IRB at or servicing each institution at which the clinical trial will be conducted. An IRB is charged with protecting the welfare and rights of trial participants and considers items such as whether the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the form and content of the informed consent that must be signed by each clinical trial subject, or his or her legal representative, reviews and approves the study protocol, and must monitor the clinical trial until completed.

Clinical trials typically are conducted in three sequential phases that may overlap or be combined:

- **Phase 1.** The biologic product candidate initially is introduced into a small number of healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution or excretion. If possible, a Phase 1 clinical trial may also seek to gain an early understanding of the product candidate's effectiveness. In the case of some product candidates for severe or life-threatening diseases, especially when the product candidate may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients. Typically, during the development of oncology therapies, all subjects enrolled in Phase 1 clinical trials are disease-affected patients and, as a result, considerably more information on clinical activity may be collected during such trials than during Phase 1 clinical trials for non-oncology therapies.

- **Phase 2.** The biologic product candidate is evaluated in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product candidate a particular indication and to determine dosage tolerance, optimal dosage and dosing schedule. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.

- **Phase 3.** The biologic product candidate is administered to an expanded patient population at multiple sites to further evaluate dosage, to demonstrate efficacy and safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and labeling.

These phases may overlap or be combined. For example, a Phase 1/2 clinical trial may contain both a dose-escalation stage and a dose-expansion stage, the latter of which may confirm tolerability at the recommended dose for expansion in future clinical trials (as in traditional Phase 1 clinical trials) and provide insight into the antitumor effects of the investigational therapy in selected subpopulation(s).

In many cases, particularly for prevalent diseases, the FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the efficacy of a biologic. A single Phase 3 or Phase 2 trial may be sufficient in many other conditions, particularly for rare disease therapies, when in conjunction with confirmatory evidence. A single adequate and well-controlled trial may also be sufficient, though it is less common, when the trial is a large, multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible. Approval on the basis of a single trial may be subject to the requirement of additional post-approval studies.

Phase 1, Phase 2, Phase 3, and other types of clinical trials may not be completed successfully within any specified period, if at all. The FDA, the IRB, or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including non-compliance with regulatory requirements or a finding that the patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug or biologic has been associated with unexpected serious harm to patients. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether a trial may move forward at designated checkpoints based on access to certain data from the trial.

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

There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries. Sponsors of clinical trials of FDA-regulated products, including biologics, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed in certain circumstances for up to two years after the date of completion of the trial. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

In addition, the manufacturer of an investigational biologic in a Phase 2 or Phase 3 clinical trial for a serious or life-threatening disease is required to make available, such as by posting on its website, its policy on evaluating and responding to requests for expanded access to such investigational drug or biologic.

U.S. review and approval processes

FDA approval of a BLA must be obtained before commercial marketing of the biologic product. The results of the preclinical tests and clinical trials, together with detailed information relating to the product's pharmacology, chemistry, manufacturing controls ("CMC"), and proposed labeling, among other things, are submitted to the FDA as part of the BLA requesting approval to market the product for one or more indications.

The cost of preparing and submitting a BLA is substantial. Under the Prescription Drug User Fee Act ("PDUFA"), each BLA must be accompanied by a significant user fee. The FDA adjusts the PDUFA user fees on an annual basis. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on BLAs for products designated as orphan drugs, unless the product also includes a non-orphan indication. The applicant under an approved BLA is also subject to an annual program fee.

The FDA reviews a BLA within 60 days of receipt to determine whether the application will be filed based on the FDA's determination that it is sufficiently complete to permit substantive review. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. In that event, the BLA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA files it. Once the submission is filed by the FDA, the FDA begins an in-depth, substantive review of the BLA.

The FDA reviews the BLA to determine, among other things, whether the proposed product candidate is safe and effective for its intended use, has an acceptable purity profile and whether the product candidate is being manufactured in accordance with cGMPs to assure and preserve the product candidate's identity, safety, strength, quality, potency and purity. The FDA may refer applications for novel biologic products or biologic products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions on approval. During the product approval process, the FDA also will determine whether a risk evaluation and mitigation strategy ("REMS"), is necessary to assure the safe use of the product candidate. REMS involve additional risk minimization strategies to ensure that the benefits of the product outweigh the potential risks. A REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use ("ETASU"). ETASU can include, but are not limited to, special training or certification for prescribing or dispensing the product, dispensing the product only under certain circumstances, special monitoring, and the use of patient-specific registries. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS; the FDA will not approve the BLA without a REMS, if required.

Before approving a BLA, the FDA will inspect the facilities at which the product candidate is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product candidate within required specifications. Additionally, before approving a BLA, the FDA typically will inspect one or more clinical sites to assure that the clinical trials were conducted in compliance with IND trial requirements and GCP requirements.

On the basis of the BLA and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the biologic product with specific prescribing information for specific indications. A complete response letter indicates that the review cycle of the application is complete, and the application will not be approved in its present form. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If a complete response letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing. The FDA has committed to reviewing such resubmissions in two or six months, depending on the type of information included. Even if such data and information are submitted, the FDA may decide that the BLA does not satisfy the criteria for approval.

The FDA has agreed to specified performance goals in the review of BLAs under PDUFA. One such goal is to review standard BLAs within 10 months after the FDA files the BLA, and priority BLAs within six months, whereupon a review decision is to be made. The review process and the PDUFA goal date for both standard and priority review BLAs may be extended by three months if the FDA deems information submitted by the applicant to be a major amendment to the BLA.

If a product candidate receives regulatory approval, the FDA may require post-marketing clinical trials, sometimes referred to as Phase 4 clinical trials, designed to further assess a biologic product's safety and effectiveness, and testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Compliance with cGMP requirements

Manufacturers of biologics must comply with applicable cGMP regulations, including quality control and quality assurance and maintenance of records and documentation. Manufacturers and others involved in the manufacture and distribution of such products also must register their establishments with the FDA and certain state agencies. Both domestic and foreign manufacturing establishments must register and provide additional information to the FDA upon their initial participation in the manufacturing process. Establishments may be subject to periodic, unannounced inspections by government authorities to ensure compliance with cGMP requirements and other laws. Discovery of problems may result in a government entity placing restrictions on a product, manufacturer or holder of an approved BLA, and may extend to requested product recalls or requiring withdrawal of the product from the market. The FDA will not approve a BLA unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specification.

Expedited development and review programs

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition.

Fast track designation may be granted for products that are intended to treat a serious or life-threatening disease or condition and preclinical or clinical data demonstrate the potential to address unmet medical needs for the condition. Fast track designation applies to both the product and the specific indication for which it is being studied. The sponsor of a new biologic candidate can request the FDA to designate the candidate for a specific indication for fast track status concurrent with, or after, the submission of the IND for the candidate. The FDA must determine if the biologic candidate qualifies for fast track designation within 60 days of receipt of the sponsor's request. For fast track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a fast track product's BLA before the application is complete. This "rolling review" is available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a fast track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees. Any product submitted to the FDA for marketing, including under a fast track program, may be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval.

Breakthrough therapy designation may be granted for products that are intended, alone or in combination with one or more other products, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints. Under the breakthrough therapy program, the sponsor of a new biologic candidate may request that the FDA designate the candidate for a specific indication as a breakthrough therapy concurrent with, or after, the submission of the IND for the biologic candidate. The FDA must determine if the biological product qualifies for breakthrough therapy designation within 60 days of receipt of the sponsor's request. The FDA may take certain actions with respect to breakthrough therapies, including holding meetings with the sponsor throughout the development process, providing timely advice to the product sponsor regarding development and approval, involving more senior staff in the review process, assigning a cross-disciplinary project lead for the review team and taking other steps to design the clinical trials in an efficient manner.

Priority review may be granted for products that are intended to treat a serious or life-threatening condition and, if approved, would provide a significant improvement in safety and effectiveness compared to available therapies. The FDA will attempt to direct additional resources to the evaluation of an application designated for priority review in an effort to facilitate the review.

Accelerated approval may be granted for products that are intended to treat a serious or life-threatening condition and that generally address an unmet medical need. A product eligible for accelerated approval may be approved on the basis of either 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. In clinical trials, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. The accelerated approval pathway is most often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly. Thus, accelerated approval has been used extensively in the development and approval of products for treatment of a variety of cancers in which the goal of therapy is generally to improve survival or decrease morbidity and the duration of the typical disease course requires lengthy and sometimes large studies to demonstrate a clinical or survival benefit. The accelerated approval pathway is contingent on the verification and description of the product's clinical benefit, which is generally in the form of at least one post-approval confirmatory trial. These confirmatory trials must be completed with due diligence and, in some cases, the FDA may require that the trial be designed, initiated and/or fully enrolled prior to submission of the application or approval. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, would allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

The FDA is authorized to require a post-approval study to be underway prior to approval or within a specified time period following approval. The FDA must also specify conditions of any required post-approval study, which may include milestones such as a target date of study completion. Sponsors must submit progress reports for required post-approval studies and any conditions required by the FDA not later than 180 days following approval and not less frequently than every 180 days thereafter until completion or termination of the study. The FDA can initiate an enforcement action for the failure to conduct with due diligence a required post-approval study, including a failure to meet any required conditions specified by the FDA or to submit timely reports.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or the time period for FDA review or approval may not be shortened. Furthermore, fast track designation, breakthrough therapy designation, priority review and accelerated approval do not change the standards for approval but may expedite the development or approval process.

Post-approval requirements

Rigorous and extensive FDA regulation of biologic products continues after approval, particularly with respect to cGMP requirements. Manufacturers are required to comply with applicable requirements in the cGMP regulations, including quality control and quality assurance and maintenance of records and documentation, and are subject to periodic inspections by the FDA. In addition, changes to the manufacturing process or facility generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval. Other post-approval requirements applicable to biologic products include reporting of cGMP deviations that may affect the identity, potency, purity and overall safety of a distributed product, record-keeping requirements, reporting of adverse effects, reporting updated safety and efficacy information and complying with electronic record and signature requirements. A sponsor also must comply with the FDA's advertising and promotion requirements, such as those related to direct-to-consumer advertising, the prohibition on promoting products for uses or in patient populations that are not described in the product's approved labeling (known as "off-label use"), industry-sponsored scientific and educational activities and promotional activities involving the internet. Discovery of previously unknown problems or the failure to comply with the applicable regulatory requirements may result in restrictions on the marketing of a product or withdrawal of the product from the market as well as possible civil or criminal sanctions.

Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant or manufacturer to administrative or judicial civil or criminal sanctions and adverse publicity. These actions could include refusal to approve pending applications or supplemental applications, withdrawal of an approval, clinical hold, suspension or termination of clinical trials by an IRB, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines or other monetary penalties, refusals of government contracts, mandated corrective advertising or communications with healthcare providers, debarment, restitution, disgorgement of profits or other civil or criminal penalties.

Orphan drug designation

Orphan drug designation in the United States is designed to encourage sponsors to develop products intended for treatment of rare diseases or conditions. In the United States, pursuant to the Orphan Drug Act, the FDA may grant orphan designation to a drug or biological product intended to treat a rare disease or condition, which is statutorily defined as a condition that affects fewer than 200,000 individuals in the United States or that affects more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making available the biologic for the disease or condition will be recovered from sales of the product in the United States.

An application for designation as an orphan product can be made any time prior to the submission of an application for approval to market the product. The Office of Orphan Products Development at the FDA grants orphan drug designations based on acceptable confidential requests made under the regulatory provisions. The product must then go through the review and approval process like any other product. Orphan drug designation entitles a company to financial incentives, such as tax credits and user fee waivers, but does not convey any advantage in or shorten the duration of the regulatory review and approval process.

A sponsor may request orphan drug designation of a previously unapproved product or new orphan indication for an already marketed product. In addition, a sponsor of a product that is otherwise the same drug, which includes biologics, as an already approved orphan-designated drug may seek and obtain orphan drug designation for a subsequent product for the same rare disease or condition if it can present a plausible hypothesis that its product may be clinically superior to the first drug. More than one sponsor may receive orphan drug designation for the same product for the same rare disease or condition, but each sponsor seeking orphan drug designation must file a complete request for designation.

If a product with orphan designation receives the first FDA approval of the drug to treat the disease or condition for which it has such designation or for a select indication or use within the rare disease or condition for which it was designated, the product generally will receive orphan drug exclusivity. Orphan drug exclusivity means that the FDA may not approve another sponsor's marketing application for the same drug for the same indication for seven years, except in certain limited circumstances, such as in instances of product supply issues. In the case of a biological product, the same drug is a drug that contains the same principal molecular features, except if it is clinically superior. A product is clinically superior if it is safer, more effective, or makes a major contribution to patient care. If a product designated as an orphan drug ultimately receives marketing approval for an indication broader than what was designated in its orphan drug application, it may not be entitled to orphan drug exclusivity.

The period of exclusivity begins on the date that the marketing application is approved by the FDA and applies only to the indication for which the product has been designated and approved. The FDA may approve a second application for the same drug for a different indication, a different drug for the same indication, or a second application for a clinically superior version of the same drug for the same indication. Because healthcare professionals are free to prescribe products for off-label uses, the competitor's product could be used for the orphan indication despite another product's orphan exclusivity. The FDA cannot, however, approve the same drug made by another manufacturer for the same indication during the market exclusivity period unless it has the consent of the sponsor, the new drug product has been demonstrated to be clinically superior, or the sponsor is unable to provide sufficient quantities.

The FDA's determination of whether two ADCs are the same drug for purposes of orphan drug exclusivity is based on a determination of sameness of the monoclonal antibody element and the functional element of the conjugated molecule. Two ADCs are deemed to be the same product if the complementarity determining region sequences of the antibody and the functional element of the conjugated molecule are the same. A difference in either of those two elements can result in a determination that the molecules are different.

FDA approval and regulation of companion diagnostics

If use of an *in vitro* diagnostic is essential to the safe and effective use of a drug or biologic product, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, before or at the same time that the FDA approves the therapeutic product. In August 2014, the FDA issued final guidance clarifying the requirements that will apply to approval of therapeutic products and *in vitro* companion diagnostics. According to the guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a biologic product or indication, the FDA generally will not approve the biologic product or new biologic product indication if the companion diagnostic device is not approved or cleared for that indication.

The FDA has also introduced the concept of a complementary diagnostic, which the FDA defines as a test that is not required but which provides significant information about the use of a drug. A complementary test can help guide treatment strategy and identify which patients are likely to derive the greatest benefit from therapy, and if approved by the FDA information regarding the *in vitro* diagnostic will be included in the therapeutic product labeling.

Approval or clearance of the companion or complementary diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population. The review of *in vitro* companion or complementary diagnostics in conjunction with the review of our products will, therefore, likely involve coordination of review by the FDA's Center for Drug Evaluation and Research and Office of In Vitro Diagnostics. We may partner with a diagnostic provider to develop a companion or complementary diagnostic for certain of our product candidates. Review and approval of a companion or complementary diagnostic is typically done in parallel with development of the therapeutic product. However, it is possible that the FDA may permit approval of the companion or complementary diagnostic as a post-marketing commitment following a potential regulatory approval.

Under the FDCA, *in vitro* diagnostics, including companion and complementary diagnostics, are regulated as medical devices. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption applies, diagnostic tests require marketing clearance, authorization, or approval from the FDA prior to commercial distribution. The two primary types of FDA marketing authorization applicable to a medical device are premarket notification, also called 510(k) clearance, and premarket approval, or PMA. The FDA has generally required *in vitro* companion diagnostics intended to select the patients who will respond to cancer treatment to obtain a PMA for that diagnostic simultaneously with approval of the therapeutic.

The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, can take several years or longer. It involves a rigorous premarket review during which the applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. In addition, PMAs for certain devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, the applicant must demonstrate that the diagnostic has adequate sensitivity and specificity, has adequate specimen and reagent stability, and produces reproducible results when the same sample is tested multiple times by multiple users at multiple laboratories. As part of the PMA review, the FDA will typically inspect the manufacturer's facilities for compliance with the Quality Management System Regulation ("QMSR"), which imposes elaborate testing, control, documentation and other quality assurance requirements.

PMA approval is not guaranteed, and the FDA may ultimately respond to a PMA submission with a not approvable determination based on deficiencies in the application and require additional clinical trial or other data that may be expensive and time-consuming to generate and that can substantially delay approval. If the FDA's evaluation of the PMA application is favorable, the FDA typically issues an approvable letter requiring the applicant's agreement to specific conditions, such as changes in labeling, or specific additional information, such as submission of final labeling, in order to secure final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. The FDA may also determine that additional clinical trials are necessary, in which case the PMA approval may be delayed for several months or years while the trials are conducted and then the data submitted in an amendment to the PMA. If the FDA concludes that the applicable criteria have been met, the FDA will issue a PMA for the approved indications, which can be more limited than those originally sought by the applicant. The PMA can include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, additional testing and/or restrictions on labeling, promotion, sale and distribution. Once granted, PMA approval may be withdrawn by the FDA if compliance with post approval requirements, conditions of approval or other regulatory standards are not maintained or problems are identified following initial marketing.

In 2024, FDA's Center for Devices and Radiological Health ("CDRH") announced that it intended to reclassify most high-risk *in vitro* diagnostic products from Class III to Class II medical devices and stated that it expected most future companion diagnostics would be regulated as Class II devices. Reclassification would allow companion diagnostic developers to seek marketing authorization through the FDA's 510(k) or de novo classification pathways rather than the more costly and time-consuming PMA pathway. Since that time, CDRH has taken steps to begin the reclassification process for certain companion diagnostic products, such as in situ hybridization test systems and nucleic acid-based test systems intended for use with a corresponding approved oncology therapeutic product. However, these proposed reclassifications are not yet final and commercializing any such tests requires PMA approval until the reclassification is final.

The 510(k) and de novo submission processes are less burdensome than the PMA approval process. To obtain 510(k) clearance, a manufacturer must submit a premarket notification demonstrating that the proposed device is substantially equivalent to a legally marketed device, referred to as the predicate device. To be substantially equivalent, the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and be shown to be equally safe and effective and not raise different questions of safety and effectiveness than the predicate device. The de novo classification process is used when there is no predicate device. In a de novo submission, the sponsor must demonstrate that the proposed device is of low or moderate risk and the benefits outweigh the risks. The type of data included in a de novo request is similar to the type of data included in a 510(k), although a larger proportion of de novo submissions require clinical data as compared to 510(k)s. The review time for a de novo request is longer as compared to the 510(k) process, and the outcome for de novo requests is more uncertain.

After a device is placed on the market, it remains subject to significant regulatory requirements. Medical devices may be marketed only for the uses and indications for which they are cleared, authorized, or approved. A modification that could significantly affect a device's safety or effectiveness, or that would constitute a major change in its intended use, requires a new 510(k) clearance, de novo authorization, or could require a PMA approval. Device manufacturers must also register their establishments and list their devices with the FDA. A medical device manufacturer's manufacturing processes, and the processes of the device specification developer and repackager/relabeler (if different from the manufacturer) and initial importer (if manufactured outside of the United States) are required to comply with the applicable portions of the QMSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, importation, labeling, packaging and shipping of medical devices. Facility records and manufacturing processes are subject to periodic unscheduled inspections by the FDA.

Pediatric information

Under the Pediatric Research Equity Act ("PREA"), a BLA or supplement to a BLA must contain data to assess the safety and effectiveness of the biologic product candidate for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product candidate is safe and effective. The FDA may grant deferrals for submission of data or full or partial waivers. Unless otherwise required by regulation, the PREA generally does not apply to any biologic product candidate for an indication for which orphan designation has been granted with the exception of orphan-designated biologics if the product contains a new active ingredient and is a molecularly targeted cancer product intended for the treatment of an adult cancer and is directed at a molecular target that FDA has determined is substantially relevant to the growth or progression of a pediatric cancer.

The Best Pharmaceuticals for Children Act ("BPCA") provides a six-month extension of any non-patent exclusivity for a biologic if certain conditions are met. Conditions for exclusivity include the FDA's determination that information relating to the use of a new biologic in the pediatric population may produce health benefits in that population, the FDA making a written request for pediatric studies, and the applicant agreeing to perform, and reporting on, the requested studies that fairly respond to the written request within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Additional controls for biologics

To help reduce the increased risk of the introduction of adventitious agents, the PHSA emphasizes the importance of manufacturing controls for products whose attributes cannot be precisely defined. The PHSA also provides authority to the FDA to immediately suspend biologics licenses in situations where there exists a danger to public health, to prepare or procure products in the event of shortages and critical public health needs, and to authorize the creation and enforcement of regulations to prevent the introduction or spread of communicable diseases within the United States.

After a BLA is approved, the product may also be subject to official lot release as a condition of approval. As part of the manufacturing process, the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official release by the FDA, the manufacturer submits samples of each lot of the product to the FDA together with a release protocol showing a summary of the lot manufacturing history and the results of all of the manufacturer's tests performed on the lot. The FDA may also perform certain confirmatory tests on lots of some products, such as viral vaccines, before allowing the manufacturer to release the lots for distribution. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency, and effectiveness of biological products. As with drugs, after approval of a BLA, biologics manufacturers must address any safety issues that arise, are subject to recalls or a halt in manufacturing, and are subject to periodic inspection after approval.

Biosimilars and exclusivity

The Patient Protection and Affordable Care Act (the "ACA"), includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 ("BPCIA"), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. The FDA has licensed many biosimilars under the BPCIA, and has issued several guidance documents outlining an approach to review and approval of biosimilars.

Biosimilarity, which requires that there be no differences in route of administration, dosage form, and strength, and no clinically meaningful differences between the proposed biosimilar biological product and the reference product in terms of safety, purity and potency, can be shown through analytical studies, an assessment of toxicity, and a clinical trial or studies though the FDA has broad discretion to set or waive certain biosimilar licensure data requirements. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the biologic and the reference biologic may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. However, complexities associated with the larger, and often more complex, structures of biological products, as well as the processes by which such products are manufactured, pose some hurdles to biosimilar product implementation which is still being evaluated by the FDA.

Under the BPCIA, an application for a biosimilar product referencing an exclusivity-protected biological product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product referencing an exclusivity-protected biological product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the applicant's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product. The BPCIA also created an exclusivity period for biosimilars approved as interchangeable products. At this juncture, it is unclear whether products deemed "interchangeable" by the FDA will, in fact, be readily substituted by pharmacies, which are governed by state pharmacy law.

The first biologic product submitted under the biosimilar abbreviated approval pathway that is determined to be interchangeable with the reference product has exclusivity against approval of an interchangeable biologic for the same condition of use for the earlier of (i) one year after first commercial marketing of the first interchangeable biosimilar, (ii) 18 months after the first interchangeable biosimilar is approved if there is no patent challenge, (iii) 18 months after resolution of a lawsuit over the patents of the reference biologic in favor of the first interchangeable biosimilar applicant, or (iv) 42 months after the first interchangeable biosimilar's application has been approved if a patent lawsuit is ongoing within the 42-month period.

Patent term restoration and extension

In the United States, a patent claiming a new biologic product, its method of use or its method of manufacture may be eligible for a limited patent term extension under the Hatch-Waxman Act, which permits a patent extension of up to five years for patent term lost during product development and FDA regulatory review. Assuming grant of the patent for which the extension is sought, the restoration period for a patent covering a product is typically one-half the time between the effective date of the IND involving human beings and the submission date of the BLA, plus the time between the submission date of the BLA and the ultimate approval date. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date in the United States. Only one patent applicable to an approved product is eligible for the extension, and the application for the extension must be submitted prior to the expiration of the patent for which extension is sought. A patent that covers multiple products for which approval is sought can only be extended in connection with one of the approvals. The USPTO reviews and approves the application for any patent term extension in consultation with the FDA.

Regulation and procedures governing approval of medicinal products in the European Union

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales, post-market surveillance and distribution of products. Whether or not it obtains FDA approval for a product, an applicant will need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. Specifically, the process governing approval of medicinal products in the European Union generally follows the same lines as in the United States. It entails satisfactory completion of preclinical studies and adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication. Except in limited cases of compassionate use, it also requires the submission to the relevant competent authorities of a marketing authorization application, or MAA, and granting of a marketing authorization by these authorities before the product can be marketed and sold in the European Union.

Clinical trial approval

Pursuant to the currently applicable Clinical Trials Directive 2001/20/EC and the Directive 2005/28/EC on GCP, a system for the approval of clinical trials (excluding non-interventional trials) conducted in the European Union has been implemented through national legislation of the member states. Under this system, the sponsor of a clinical trial must submit a request for authorization to the competent national authority each European Union member state in which the clinical trial is to be conducted. Furthermore, the applicant must obtain a favorable opinion from the competent ethics committee before starting a clinical trial. The clinical trial application must be accompanied by an investigational medicinal product dossier with supporting information prescribed by Directive 2001/20/EC and Directive 2005/28/EC and corresponding national laws of the member states and further detailed in applicable guidance documents.

In April 2014, the European Union adopted a new Clinical Trials Regulation (EU) No 536/2014, but it has not yet become effective. Its application is subject to the full functionality of the European Union clinical trials portal and database. According to the most recent official communications, the audit aiming to confirm the full functionality of the portal and database will be conducted in December 2020. The new Clinical Trials Regulation will overhaul the current system of approvals for clinical trials in the European Union. Specifically, the new legislation, which will be directly applicable in all member states, aims at simplifying and streamlining the approval of clinical trials in the European Union. For instance, the new Clinical Trials Regulation provides for a streamlined application procedure via a single-entry point and shorter deadlines for the assessment of clinical trial applications. The scientific assessment of a clinical trial to be conducted in more than one member state would be carried out once for all the concerned member states while other aspects (e.g., informed consent requirements) are assessed by each member state for its territory. In addition, sponsors must post clinical trial information (e.g., a summary of trial results) at the EudraCT website.

PRIME designation in the European Union

In March 2016, the European Medicines Agency (the "EMA") launched an initiative to facilitate development of product candidates of major interest from the point of view of public health and in particular from the point of view of therapeutic innovation. The PRIority MEdicines, ("PRIME"), scheme is intended to encourage drug development in areas of unmet medical need and provides accelerated assessment of products representing substantial innovation reviewed under the centralized procedure. Eligibility for the PRIME scheme depends on the availability of adequate preclinical and clinical data to justify a potential major public health interest prior to the initiation of confirmatory clinical trials at the proof-of-concept stage. Products from micro, small and medium-sized enterprises may qualify for earlier entry into the PRIME scheme than larger companies and benefit from fee reductions with the EMA. Many benefits accrue to sponsors of product candidates with PRIME designation, including early and proactive regulatory dialogue with the EMA, frequent discussions on clinical trial designs and other development program elements, scientific advice on key decision points for the preparation of the MAA and accelerated MAA assessment once a dossier has been submitted. More specifically, a kick-off meeting initiates these relationships and includes a team of multidisciplinary experts at the EMA to provide guidance on the overall development and regulatory strategies. Importantly, a dedicated EMA contact (rapporteur) from the Committee for Human Medicinal Products ("CHMP"), or Committee for Advanced Therapies in the case of an advanced therapy, are appointed early in the PRIME scheme to provide continuous support and help to build knowledge ahead of a MAA.

Marketing authorization

To obtain a marketing authorization for a product under the European Union regulatory system, an applicant must submit an MAA, either under a centralized procedure administered by the EMA or one of the procedures administered by competent authorities in European Union member states (decentralized procedure, national procedure, or mutual recognition procedure). A marketing authorization may be granted only to an applicant established in the European Union. In order to support the authorization of medicinal products for children, Regulation (EC) No 1901/2006 provides that prior to obtaining a marketing authorization in the European Union, an applicant must demonstrate compliance with all measures included in an EMA-approved Pediatric Investigation Plan ("PIP"), covering all subsets of the pediatric population, unless the EMA has granted a product-specific waiver, class waiver or a deferral for one or more of the measures included in the PIP. The requirement for a PIP also applies to applications for new indications, pharmaceutical forms or routes of administration for medicinal products that are already authorized.

The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid for all European Union member states. Pursuant to Regulation (EC) No. 726/2004, the centralized procedure is compulsory for specific products, including for medicines produced by certain biotechnological processes, products designated as orphan medicinal products, advanced therapy products and products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of cancer. For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients, the centralized procedure is optional. Manufacturers must demonstrate the quality, safety and efficacy of their products to the EMA, which provides an opinion regarding the MAA through the CHMP responsible for conducting an initial assessment of the product.

The maximum timeframe for the evaluation of an MAA by the CHMP is 210 days, excluding clock stops when additional information or written or oral explanation is to be provided by the applicant in response to questions of the CHMP. Accelerated evaluation may be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from the point of view of public health and, in particular, from the viewpoint of therapeutic innovation. If the CHMP accepts such a request, the time limit of 210 days will be reduced to 150 days, but it is possible that the CHMP may revert to the standard time limit for the centralized procedure if it determines that it is no longer appropriate to conduct an accelerated assessment. The final decision on the MAA is issued by the European Commission, in light of the opinion delivered by the EMA, and after the member states have had an opportunity to comment on it.

With respect to medicinal products for which a centralized authorization is not mandatory, the applicant may choose between: (i) the national procedure provided for by a specific member state, for the marketing of the product in its territory, (ii) the decentralized procedure, for drug candidates that are not marketed in any of the member states but the applicant wishes to market them on more than one EU national territories or (iii) the mutual recognition procedure, which applies to products already authorized in a member state and whose marketing in other member states' territories is sought.

Regulatory data protection in the European Union

In the European Union, new chemical entities approved on the basis of a complete independent data package qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity pursuant to Regulation (EC) No 726/2004, as amended, and Directive 2001/83/EC, as amended.

These exclusivity periods apply only once from the first authorization granted to an applicant for a given active substance and they cannot be renewed when the same marketing authorization holder is granted new authorizations for new indications, strengths, pharmaceutical forms, administration routes or presentations of the same active substance. Data exclusivity prevents regulatory authorities in the European Union from referencing the innovator's data to assess another product (either generic, hybrid or biosimilar) application for a period of eight years. During the additional two-year period of market exclusivity, a generic, hybrid or biosimilar marketing authorization application can be submitted, and the innovator's data may be referenced, but no generic, hybrid or biosimilar medicinal product can be marketed until the expiration of the market exclusivity. The overall 10-year period will be extended to a maximum of 11 years if, during the first eight years of those 10 years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to authorization, is held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity so that the innovator gains the prescribed period of data exclusivity, another company may market another version of the product if such company obtained marketing authorization based on an MAA with a complete independent data package of pharmaceutical tests, preclinical tests and clinical trials.

Patent term extensions in the European Union and other jurisdictions

The European Union also provides for patent term extension through Supplementary Protection Certificates ("SPCs"). The rules and requirements for obtaining a SPC are similar to those in the United States. An SPC may extend the term of a patent for up to five years after its originally scheduled expiration date. In certain circumstances, these periods may be extended for six additional months if pediatric exclusivity is obtained. Although SPCs are available throughout the European Union, sponsors must apply on a country-by-country basis. Similar patent term extension rights exist in certain other foreign jurisdictions outside the European Union.

Periods of authorization and renewals

A marketing authorization is valid for five years, in principle, and it may be renewed after five years on the basis of a reevaluation of the risk-benefit balance by the EMA or by the competent authority of the authorizing member state, depending on the procedure through which the marketing authorization has been granted. To that end, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety and efficacy, including all variations introduced since the marketing authorization was granted, at least nine months before the marketing authorization ceases to be valid. Once renewed, the marketing authorization is valid for an unlimited period, unless the European Commission or the competent authority decides, on justified grounds relating to pharmacovigilance, to proceed with one additional five-year renewal period. Any authorization that is not followed by the placement of the drug on the European Union market (in the case of the centralized procedure) or on the market of the authorizing member state within three years after authorization is granted ceases to be valid.

Regulatory requirements after marketing authorization

Following approval, the holder of the marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of the medicinal product. These include compliance with the European Union's stringent pharmacovigilance or safety reporting rules, pursuant to which post-authorization studies and additional monitoring obligations can be imposed. In addition, the manufacturing of authorized products, for which a separate manufacturer's license is mandatory, must also be conducted in strict compliance with the EMA's good manufacturing practices ("GMP") requirements and comparable requirements of other regulatory bodies in the European Union, which mandate the methods, facilities and controls used in the manufacturing, processing and packing of drugs to assure their safety and identity. Finally, the marketing and promotion of authorized products, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the European Union under Directive 2001/83EC, as amended.

Orphan drug designation and exclusivity

Regulation (EC) No 141/2000 and Regulation (EC) No. 847/2000 provide that a product can be designated as an orphan drug by the European Commission if its sponsor can establish: that the product is intended for the diagnosis, prevention or treatment of (i) a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the European Union when the application is made, or (ii) a life-threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that the marketing of the drug in the European Union would generate sufficient return to justify the necessary investment. For either of these conditions, the applicant must demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the European Union or, if such method exists, the drug for which the orphan designation is requested will be of significant benefit to those affected by that condition.

An orphan drug designation provides several benefits, including fee reductions, regulatory and scientific assistance and the possibility to apply for a centralized European Union marketing authorization. In particular, an orphan drug designation leads to a 10-year period of market exclusivity from the granting of the concerned medicinal product marketing authorization for the particular indication. During this market exclusivity period, neither the EMA nor the member states can accept an application or grant a marketing authorization for a "similar medicinal product." A "similar medicinal product" is defined as a medicinal product containing a similar or identical active substance, or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. The market exclusivity period for the authorized therapeutic indication may, however, 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 drug designation because, for example, the product is sufficiently profitable so as to not justify market exclusivity.

General Data Protection Regulation (the "GDPR")

The collection, use, disclosure, transfer or other processing of personal data regarding individuals in the European Union, including personal health data, is subject to the Regulation (EU) No. 2016/679, the GDPR, which became effective on May 25, 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches and taking certain measures when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the European Union, including the United States, and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global turnover of the preceding financial year, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR will be a rigorous and time-intensive process that may increase the cost of doing business or require companies to change their business practices to ensure full compliance.

Coverage and reimbursement

Sales of our product candidates, if approved, will depend, in part, on the extent to which such products will be covered by third-party payors, such as government healthcare programs, commercial insurance and managed healthcare organizations. These third-party payors are increasingly limiting coverage or reducing reimbursements for medical products and services. In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results. Decreases in third-party reimbursement for our product candidates or a decision by a third-party payor to not cover our product candidates could reduce physician usage of our product candidates, once approved, and have a material adverse effect on our sales, results of operations and financial condition.

Other U.S. healthcare laws and compliance requirements

In the United States, biotechnology company activities are potentially subject to regulation by various federal, state and local authorities in addition to the FDA, including but not limited to, the Centers for Medicare & Medicaid Services ("CMS"), other divisions of the U.S. Department of Health and Human Services ("HHS") (e.g., the Office of Inspector General and the Office for Civil Rights), the U.S. Department of Justice (the "DOJ"), and individual U.S. Attorney offices within the DOJ, and state and local governments. The laws biotechnology companies may have to comply with include the anti-fraud and abuse provisions of the Social Security Act, the federal false claims laws, the privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and similar state laws, each as amended, as applicable.

The federal Anti-Kickback Statute prohibits, among other things, any person or entity, from knowingly and willfully offering, paying, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or in return for purchasing, leasing, ordering, recommending or arranging for the purchase, lease or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The term remuneration has been interpreted broadly to include anything of value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, and/or formulary managers on the other. There are several statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. The exceptions and safe harbors are drawn narrowly, and practices that involve remuneration that may be alleged to be intended to induce prescribing, purchasing or recommending may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances. Practices may not in all cases meet all the criteria for protection under a statutory exception or regulatory safe harbor. In addition, the statutory exceptions and regulatory safe harbors are subject to change. Additionally, the intent standard under the Anti-Kickback Statute was amended by the ACA, to a stricter standard such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the ACA codified case law that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act.

Federal false claims laws, including the federal civil False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to, or approval by, the federal government or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the civil False Claims Act even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. Pharmaceutical and other biotechnology companies have been prosecuted under these laws for, among other things, allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies' marketing of the product for unapproved, and thus generally non-reimbursable, uses and purportedly concealing price concessions in the pricing information submitted to the government for government price reporting purposes.

HIPAA created additional federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by, or under the control or custody of, any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the conditions of the Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Also, many states have similar fraud and abuse statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor.

Additionally, the federal Physician Payments Sunshine Act within the ACA, and its implementing regulations, require that certain manufacturers of drugs, devices, biological and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) report annually to CMS information related to certain payments or other transfers of value made or distributed to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), physician assistants, certain types of advance practice nurses and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of such providers, and to report annually certain ownership and investment interests held by physicians and their immediate family members.

Violation of any of the federal and state healthcare laws described above or any other governmental regulations may result in penalties, including without limitation, significant civil, criminal and/or administrative penalties, damages, fines, disgorgement, exclusion from participation in government programs, such as Medicare and Medicaid, imprisonment, injunctions, private "qui tam" actions brought by individual whistleblowers in the name of the government, refusal to enter into government contracts, oversight monitoring, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings.

Federal and state data privacy and security laws

Under HIPAA, HHS has issued regulations to protect the privacy and security of protected health information used or disclosed by covered entities including certain healthcare providers, health plans and healthcare clearinghouses. HIPAA also regulates standardization of data content, codes and formats used in healthcare transactions and standardization of identifiers for health plans and providers. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), and their regulations, including the final omnibus rule published on January 25, 2013, also imposes certain obligations on the business associates of covered entities that obtain protected health information in providing services to or on behalf of covered entities. In addition to federal privacy regulations, there are many state laws governing confidentiality and security of health information that are applicable to our business. In addition to possible federal administrative, civil and criminal penalties for HIPAA violations, state attorneys general are authorized to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorney's fees and costs associated with pursuing federal civil actions. Accordingly, state attorneys general have brought civil actions seeking injunctions and damages resulting from alleged violations of HIPAA's privacy and security rules. New laws and regulations governing privacy and security may be adopted in the future as well.

Additionally, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, and often are not preempted by HIPAA, thus complicating compliance efforts. For example, the California Consumer Privacy Act ("CCPA"), creates new individual privacy rights for consumers (as that word is broadly defined in the law) and places increased privacy and security obligations on entities handling personal data of consumers or households. The CCPA went into effect on January 1, 2020 and requires covered companies to provide new disclosures to California consumers, provide such consumers new ways to opt-out of certain sales of personal information, and allow for a new cause of action for data breaches. On November 3, 2020, California voters approved a new privacy law, the California Privacy Rights Act (the "CPRA"), which imposes additional obligations on covered companies and significantly modifies the CCPA, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. The CCPA and CPRA provide for unlimited civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CPRA took effect in most material respects on January 1, 2023. CCPA enforcement thus far has been limited; it has not been subject to significant litigation and judicial interpretation. As a result, it remains unclear how various provisions of the CCPA will be interpreted and enforced. State laws are changing rapidly and there is discussion in the U.S. of a new comprehensive federal data privacy law to which we would become subject if it is enacted. In addition, Virginia's Consumer Data Protection Act, which took effect on January 1, 2023, requires businesses subject to the legislation to conduct data protection assessments in certain circumstances and requires opt-in consent from consumers to acquire and process their sensitive personal information, which includes information revealing a consumer's physical and mental health diagnosis and genetic and biometric information that can identify a consumer. Colorado enacted the Colorado Privacy Act, and Connecticut enacted the Connecticut Data Privacy Act, each of which took effect on July 1, 2023, and Utah enacted the Consumer Privacy Act, which became effective on December 31, 2023, and each of these laws may increase the complexity, variation in requirements, restrictions, and potential legal risks, and could require increased compliance costs and changes in business practices and policies. Other states have also enacted, proposed, or are considering proposing, data privacy laws.

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

Healthcare reform

Healthcare reforms that have been adopted, and that may be adopted in the future, could result in further reductions in coverage and levels of reimbursement for pharmaceutical products, increases in rebates payable under U.S. government rebate programs and additional downward pressure on pharmaceutical product prices. Several healthcare reform proposals culminated in the enactment of the Inflation Reduction Act of 2022 (the "IRA") in August 2022, which, among other things, requires HHS to directly negotiate the selling price of a statutorily specified number of drugs and biologics each year that CMS reimburses under Medicare Part B and Part D. The negotiated price may not exceed a statutory ceiling price. Only high-expenditure single-source biologics that have been approved for at least 11 years (7 years for single-source drugs) are eligible to be selected by CMS for negotiation, with the negotiated price taking effect two years after the selection year. For 2026, the first year in which negotiated prices become effective, CMS selected 10 high-cost Medicare Part D products in 2023, negotiations took place in 2024, and the negotiated maximum fair price for each product has been announced. In addition, CMS has selected and announced the negotiated maximum fair price for 15 additional Medicare Part D drugs, which will become effective in 2027. For 2028, CMS has selected an additional 15 drugs, comprised of drugs covered under Medicare Part D and, for the first time, drugs payable under Medicare Part B. For 2029 and subsequent years, 20 Part B or Part D drugs will be selected. Currently, a drug or biological product that has an orphan drug designation for only one rare disease or condition will be excluded from the IRA's price negotiation requirements, but will lose that exclusion if it receives designations for more than one rare disease or condition, or if it is approved for an indication that is not within that single designated rare disease or condition, unless such additional designation or such disqualifying approvals are withdrawn by the time CMS evaluates the drug for selection for negotiation. However, as a result of a statutory amendment enacted in July 2025, beginning with the 2028 negotiated price applicability year, a drug may be designated for more than one rare disease or condition and still be excluded from price negotiation, as long as the only approved indications are for such rare diseases or conditions. The IRA also imposes rebates on Medicare Part B and Part D drugs whose prices have increased at a rate greater than the rate of inflation, and in November 2024, CMS finalized regulations for the Medicare Part B and Part D inflation rebates. The IRA permits the Secretary of HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. Manufacturers that fail to comply with the IRA may be subject to various penalties, including significant civil monetary penalties. These provisions have been and may continue to be subject to legal challenges. For example, the provisions related to the negotiation of selling prices of high-expenditure single-source drugs and biologics have been challenged in several lawsuits brought by pharmaceutical manufacturers. Thus, while it is unclear how the IRA will be implemented, it will likely have a significant impact on the biopharmaceutical industry and the pricing of prescription drug products. Additional state and federal healthcare reform measures could be adopted in the future.

The federal administration is pursuing executive and regulatory actions directing HHS to pursue most favored nation ("MFN") pricing targets for prescription drugs and to evaluate other potential reforms including, for example, an executive order tasking the Center for Medicare and Medicaid Innovation ("CMMI") to consider new payment and healthcare models to limit drug spending, and promote MFN drug pricing, among other directives. For example, on December 23, 2025, CMS issued proposed regulations to establish, under CMMI, two mandatory MFN demonstration models under Medicare Parts B and D, respectively. If these rules or other MFN pricing rules are finalized, they are likely to reduce prices of at least some drugs in the United States, if they are also sold in comparator countries. Even if a company does not market drugs in such countries, the company could be indirectly affected if its drugs compete with drugs whose prices were reduced as a result of MFN pricing initiatives.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, and marketing cost disclosure and transparency measures, and in some cases, designed to encourage importation from other countries and bulk purchasing.

Human Capital Management

Employees. As of the date of this prospectus, we employed 10 employees. None of our employees are subject to a collective bargaining agreement. We consider our relationship with our employees to be good.

Compensation and Benefits Program. Our compensation program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals and create long-term value for our stockholders. We provide employees with compensation packages that include base salary, annual incentive bonuses, and long-term equity awards tied to the value of our stock price. We believe that a compensation program with both short-term and long-term awards provides fair and competitive compensation and aligns employee and stockholder interests, including by incentivizing business and individual performance (pay for performance), motivating based on long-term company performance and integrating compensation with our business plans. In addition to cash and equity compensation, we also offer employees benefits such as life and health (medical, dental & vision) insurance, flexible spending accounts for health and dependent care needs, paid time off, paid parental leave, participation in our Employee Stock Purchase Plan and a 401(k) plan. In addition to our benefits, we offer wellness and stress management support which includes an on-site gym, company-wide wellness activities, wellness resources that are shared with employees each month, an Employee Assistance Program with counseling, and flexible work arrangements.

Employee Communication and Engagement. We believe that our employees perform at their best when they understand how their contributions align with our overall strategy. To foster this connection, we prioritize open and transparent communication through several channels, including all hands meetings, company-wide updates and posts on our intranet. To maintain employee morale, we assess engagement through our managers who gather valuable feedback on career development, work environment and supervisor performance. Additionally, we track employee turnover rates to gauge satisfaction. The insights from this feedback are used to shape initiatives that aim to boost employee engagement and enhance the overall employee experience.

Corporate Information

Our business and predecessor entity was founded in March 2007. In July 2020, we converted from a limited liability company into a Delaware corporation pursuant to a statutory conversion and changed our name to BioAtla, Inc. Our principal executive offices are located at 11085 Torreyana Road, San Diego, California 92121, and our telephone number is (858) 558-0708. Our corporate website address is www.bioatla.com. Information contained on, or that may be accessed through, our website is not incorporated by reference into this prospectus and should not be considered a part of this prospectus.

We have obtained a registered trademark for BioAtla® in the United States. This prospectus contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus, including logos, artwork and other visual displays, may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Available Information

We make available, free of charge through our website www.bioatla.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports, filed or furnished pursuant to Sections 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after they have been electronically filed with, or furnished to, the SEC.

The SEC maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Board of Directors

The members of our Board of Directors and their ages, occupations and lengths of service on our board of directors as of September 30, 2026 are provided in the table below and in the additional biographical descriptions set forth in the text below the table.

Name	Age	Position	Director Since
Class I Director:			
Sylvia McBrinn(1)(2)	74	Director	June 2021
Class II Directors:			
Mary Ann Gray, Ph.D.(1)(3)	73	Director	December 2020
Susan Moran, M.D., M.S.C.E.(2)(3)	57	Director	December 2020
Lawrence Steinman, M.D.(2)(3)	78	Lead Independent Director	July 2020
Class III Directors:			
Jay M. Short, Ph.D.	68	Co-founder, Chief Executive Officer and Chairman	July 2020
Edward Williams(1)	70	Director	December 2021

(1) Member of our audit committee
(2) Member of our compensation committee
(3) Member of our nominating and corporate governance committee

Sylvia McBrinn has more than 30 years of executive, operational and commercial leadership experience in the biopharmaceutical industry. Ms. McBrinn currently serves in various advisory roles, including as Entrepreneur in Residence at Yale University since March 2021, Strategic Advisor to Propel Bio Partners, a venture capital fund, since March 2022, and Member of the Life Science Council of Springboard Enterprises, a nonprofit organization whose mission is to accelerate the growth of entrepreneurial companies led by women, since 2014. Ms. McBrinn cofounded and was Chief Executive Officer of Axerion Therapeutics, Inc. (now known as ReNetX Bio, Inc.), a biotech company, from 2009 to 2012. Prior to that, from 2005 to 2008, she served as Head, U.S. Organization of Vernalis Pharmaceuticals, Inc., a biotechnology company, where she built and led its U.S. commercial organization, and from 2003 to 2004, she served as Executive Vice President and General Manager, Brand Pharmaceuticals of Andrx Laboratories, Inc., where she was responsible for leading its branded product division. Ms. McBrinn also held various positions at Pharmacia Corporation, a pharmaceutical company, from 1986 until it was acquired by Pfizer Inc. in 2003, including Vice President, Global and US Marketing, Bextra (Cox-2) from 2000 to 2003, Vice President, Global and US Marketing, Neurology from 1998 to 2000 and Vice President, Marketing, U.S. Marketing Company from 1997 to 1998. Ms. McBrinn received her B.S. in Biology from DeSales University and MBA from Widener University.

Our board of directors believes Ms. McBrinn's extensive experience in the biopharmaceutical industry, including her experience in the commercialization and marketing of biopharma products across many therapeutic areas, as well as her expertise in commercial planning, marketing development, product launch and building commercial organizations, provide her with the qualifications and skills to serve on our board of directors.

Mary Ann Gray, Ph.D. has been a board member of public biotechnology companies for over 15 years and has held positions of audit committee chair, compensation committee chair and lead independent director. She has served on the boards of Keros Therapeutics, Inc. since December 2020 and Compass Therapeutics, Inc. since April 2022. She also served on the boards of RAPT Therapeutics, Inc. from December 2019 to March 2026 and Palisade Bio, Inc. (formerly Seneca Biopharmaceuticals, Inc.) from April 2021 to March 2024. During her career as a board member, she has also served on several other boards including Dyax Corp. from November 2004 until January 2016, Juniper Pharmaceuticals from April 2016 to August 2018, Sarepta Therapeutics Inc. from December 2018 to June 2022, Senomyx from 2010 to December 2018, Galena Biopharma from April 2016 to December 2017, TetraLogic from November 2014 to November 2016 and Acadia Pharmaceuticals from 2005 to June 2016. Dr. Gray has been President of Gray Strategic Advisors, LLC since April 2004, a biotechnology strategic planning and advisory firm. Following an early career as a research scientist, she spent time in scientific positions at biotech and pharmaceutical companies. This was followed by over 7 years as a sell-side research analyst and over 4 years as a portfolio manager at the Federated Kaufmann Fund. Dr. Gray holds a B.S. in biology from University of South Carolina, a Ph.D. in pharmacology from the University of Vermont, and completed her post-doctoral work at Northwestern University Medical School and at the Yale University School of Medicine.

Our board of directors believes Dr. Gray's expertise and experience in the life sciences industry, her experience as a director of other companies in our industry and her educational background provide her with the qualifications and skills to serve on our board of directors.

Susan Moran, M.D., M.S.C.E. has over 20 years of industry and academic experience, successfully leading programs through IND clearance to full regulatory approval. Dr. Moran has served on the board of directors of Tyra Biosciences, Inc. (Nasdaq: TYRA) since May 2024 and Crescent Biopharma since November 2024. From July 2021 to May 2024, Dr. Moran served as Chief Medical Officer of RayzeBio, Inc., a radiopharmaceutical therapeutics company previously listed on Nasdaq that was acquired by Bristol-Myers Squibb in February 2024. Prior to joining RayzeBio, Dr. Moran served as Chief Medical Officer at QED Therapeutics, Inc., a biotechnology company and subsidiary of BridgeBio Pharma, Inc. (Nasdaq: BBIO) from March 2018 to June 2021, where she oversaw clinical development of infigratinib, leading to approval of Truseltiq™. Prior to QED, Dr. Moran was at Puma Biotechnology, Inc. from 2014 to February 2018, contributing to the approval of Nerylnx®. She was Senior Medical Director until December 2016 when her role expanded to Vice President and Head of Clinical Development. Dr. Moran has played roles in the development, registration, and post-marketing support of products for breast, prostate, thyroid, bile duct, urothelial, lung, and neuroendocrine cancer, as well as multiple sclerosis, achondroplasia, and other disorders. She is a board-certified internist and has served on the faculty of the University of Pennsylvania School of Medicine and Harvard Medical School. Dr. Moran received her B.A. from the University of Virginia, M.D. from Duke University, and M.S. in Clinical Epidemiology from the University of Pennsylvania School of Medicine.

Our board of directors believes Dr. Moran's expertise and experience in the life sciences industry and her educational background provide her with the qualifications and skills to serve on our board of directors.

Lawrence Steinman, M.D. is a professor of neurology and neurological sciences, pediatrics and genetics at Stanford University, where he has been a professor since 1980. Dr. Steinman's research focuses on the causes of relapses and remissions in multiple sclerosis, or MS, the molecules that serve as a constraint on brain inflammation and the search for vaccines for autoimmune diseases. To date, Dr. Steinman has developed two antigen-specific therapies, using DNA vaccines, for MS and type 1 diabetes. Specifically, research in Dr. Steinman's laboratory led to the development of the drug Tysabri (natalizumab), which is used to treat patients with Crohn's Disease. He has received a host of awards for his research and has been elected to the National Academy of Sciences and the National Academy of Medicine. Since August 2020, Dr. Steinman has served as the non-employee Executive Chairman of the board of Pasithea Therapeutics Corp., a biotech company he co-founded in 2020. From November 2020 until May 2024, Dr. Steinman has served as the non-employee Executive Chairman of the board of 180 Life Sciences Corp., a biotech company he co-founded in 2013. Prior to starting his position as the non-employee Executive Chairman of 180 Life Sciences Corp., Dr. Steinman served as Co-Chairman. Dr. Steinman also served as a member of the board of directors of 180 Life Sciences Corp. from 2019 to August 2025. Dr. Steinman served as a member of the advisory board of BioAtla, LLC from April 2016 to July 2020 and served as a scientific advisor to BioAtla, LLC from April 2014 to May 2016. Dr. Steinman also served on the board of directors of Atreca, Inc., a biotechnology company focusing on developing novel therapeutics for applications in cancer treatment from January 2012 to August 2019. Dr. Steinman received his B.A. from Dartmouth College and his M.D. from Harvard University.

Our board of directors believes Dr. Steinman's extensive scientific research and experience as a director of various biotechnology companies, combined with his world-renowned expertise in biological molecules and immunology, provide him with the qualifications and skills to serve on our board of directors.

Jay M. Short, Ph.D. cofounded BioAtla in March 2007 and has served as Chairman and Chief Executive Officer since that time. He founded the E.O. Wilson Biodiversity Foundation, a public charity, and served as its President and Chairman from its inception in October 2005 through July 2008. In 1994, Dr. Short co-founded Diversa Corporation (now BASF Corporation), a biotechnology company focusing on enzyme and antibody development. He served as Director and Chief Technology Officer throughout his eleven-year tenure. In 1998, he was named President, then Chief Executive Officer in February 1999 and led its initial public offering in 2000. From 1994 to 2008, Dr. Short also served as a director of Invitrogen (now Thermo Fisher Scientific). From its founding until 1994, Dr. Short served as President of Stratacyte Corporation, an antibody engineering company and subsidiary of Stratagene Cloning Systems, Inc. (now Agilent Technologies, Inc.), a biotechnology company. From 1985 through 1994, he also served in various roles including as Vice President of Research & Development and Operations. In 2006, Dr. Short was shortlisted by the editors of Nature Biotechnology as a personality making the most significant contribution to biotech in the past decade. In 2001, Dr. Short received San Diego's 2001 E&Y Entrepreneur of the Year Award and was the recipient of the two first place awards granted by UCSD, Connect Innovative Product Program, for pioneering cloning of human antibodies in bacteria and transgenic genotoxicity assay systems. In 2023, Dr. Short was awarded the Lowell Thomas Award for Science Innovation. He has authored more than 100 peer reviewed publications and is named inventor of over 500 issued patents. Dr. Short received his Ph.D. in Biochemistry from Case Western Reserve University in Cleveland, Ohio and his B.A. with honors in Chemistry from Taylor University in Upland, Indiana. Dr. Short has also attended and received Director Certification from the UCLA Anderson School of Business.

Our board of directors believes Dr. Short's perspective and experience as our co-founder and Chief Executive Officer and his broad experience in the biotechnology and biopharmaceutical industry, as well as his proven management experience in our industry, provide him with the qualifications and skills to serve on our board of directors.

Edward Williams has served on our board as a director since December 2021. He has served on the board of Boone Memorial Health since October 2023 and that of Innovative Hematology, Inc. since January 2024. Mr. Williams previously served on the board of BiomX, Inc. from October 2023 to February 2026 and the board of Catalyst Biosciences, Inc. from January 2018 to December 2022. Mr. Williams further served on the board of directors of the Biotechnology Innovation Organization (BIO). From March 2020 to September 2022, Mr. Williams served as Special Advisor to the CEO at Ascendis Pharma, a clinical stage and commercial biopharmaceutical company. Additionally, he served as interim US Chief Commercial Officer at Ascendis Pharma from August 2020 to May 2021, successfully preparing for Ascendis Pharma's first commercial launch. From 2006 to his 2017 retirement, Mr. Williams served as Senior Vice President of Biopharmaceuticals at Novo Nordisk Inc., a global healthcare company, where he was responsible for the general management of Novo Nordisk's biotechnology business and increased that sector's revenue impressively in all three of its therapeutic areas including orphan biotech drugs and devices. He was recognized as Global General Manager of the Year, and he served on the global boards of strategy, commercial, marketing, management and business development. From 2003 to 2006, Mr. Williams was Vice President of Sales of the Respiratory and Dermatology business unit at Novartis Pharmaceuticals Corp. Mr. Williams began his career in biopharmaceuticals in 1980 with The Upjohn Company (Pharmacia, now Pfizer) in marketing and sales roles, rising to Regional Vice President of Sales for the Northeast Region in 2001–2003 and National Vice president of the acquired Searle Sales Force. Mr. Williams received his B.S. in biology and chemistry from Marshall University, and executive leadership certifications from Harvard Business School and the Wharton School of the University of Pennsylvania.

Our board of directors believes Mr. Williams' valuable experience and insight in the pharmaceutical business provide him with the qualifications and skills to serve on our board of directors.

Executive Officers

Our executive officers and their ages as of September 30, 2026 and positions with BioAtla are provided in the table below and in the additional biographical descriptions set forth in the text below the table.

Name	Age	Position
Jay M. Short, Ph.D.	68	Co-founder, Chief Executive Officer and Chairman
Christian Vasquez	50	Chief Financial Officer

Our board of directors chooses our executive officers, who then serve at the discretion of our board of directors.

Jay M. Short, Ph.D. *For a brief biography of Dr. Short, please see the section above titled "Board of Directors."*

Christian Vasquez has served as the Chief Financial Officer of BioAtla since 2026, as Chief Accounting Officer, Controller and Corporate Secretary of BioAtla since 2024, as Corporate Controller of BioAtla from 2015 to 2024, as Vice President of Finance and Secretary of BioAtla from 2020 to 2024 and as Senior Vice President of Finance of BioAtla from 2023 to 2024. Mr. Vasquez has over 20 years of finance and business experience working with both public and private companies. Prior to joining BioAtla, he spent seven years at Cricket Communications, from October 2008 to October 2015, through its acquisition by AT&T, where his leadership role expanded to Associate

Director of Accounting. He began his career with KPMG in their San Diego office's audit practice. Mr. Vasquez received his BS degree in Accountancy from San Diego State University and is a Certified Public Accountant in the state of California.

Family Relationships

There are no family relationships among our directors and executive officers.

Board of Directors and Corporate Governance

We have a strong commitment to good corporate governance practices. These practices provide an important framework within which our board of directors, its committees and our management can pursue our strategic objectives in order to promote the interests of our stockholders.

Corporate Governance Guidelines

Our board of directors has adopted Corporate Governance Guidelines that set forth expectations for directors, director independence standards, board committee structure and functions and other policies for the governance of our company. Our Corporate Governance Guidelines are available without charge on our website, www.bioatla.com, in the website's "Investors/Governance" section. Our Corporate Governance Guidelines are subject to modification from time to time by our board of directors pursuant to the recommendations of our nominating and corporate governance committee.

Board Leadership Structure and Risk Oversight

Our board of directors is currently chaired by Jay M. Short, Ph.D., who also serves as our Chief Executive Officer. Our board of directors does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the board of directors, as our board of directors believes it is in our best interest to make that determination based on our position and direction and the membership of the board of directors. Our board of directors has determined that having an employee director serve as Chairman is in the best interest of our stockholders at this time because of the efficiencies achieved in having the role of Chief Executive Officer and Chairman combined, and because the detailed knowledge of our day-to-day operations and business that the Chief Executive Officer possesses greatly enhances the decision-making processes of our board of directors as a whole. We have a governance structure in place, including independent directors, designed to ensure the powers and duties of the dual role are handled responsibly. Our Corporate Governance Guidelines provide that if the Chairman of our board of directors is not an independent director, our independent directors will designate one of the independent directors to serve as Lead Independent Director. Because Dr. Jay M. Short is our Chairman and Chief Executive Officer, our board of directors, including the independent directors, has appointed Dr. Lawrence Steinman to serve as our Lead Independent Director. As Lead Independent Director, Dr. Steinman presides over regularly scheduled executive sessions of our independent directors, coordinates activities of the independent directors, and performs such additional duties as our board of directors otherwise determines and delegates.

Although our board of directors does not have a standing risk management committee, it administers this oversight function directly through the board of directors as a whole as well as through its standing committees that address risks inherent in their respective areas of oversight. Our board of directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. In connection with its reviews of our operations and corporate functions, our board of directors addresses the primary risks associated with those operations and corporate functions. Areas of focus include economic, operational, financial (accounting, credit, investment, liquidity and tax), competitive, legal, regulatory, cybersecurity, privacy, compliance and reputational, and environmental, social, and governance ("ESG") risks. In addition, our board of directors reviews the risks associated with our business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies. The risk oversight responsibility of our board of directors and its committees is supported by our management reporting processes, which are designed to provide visibility to our board of directors and to our personnel who are responsible for risk assessment and information about the identification, assessment and management of critical risks, and our management's risk mitigation strategies.

Each of our board committees also oversees the management of our risks that fall within the committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Chief Executive Officer and Chief Financial Officer report to the audit committee and are responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. Our audit committee is responsible for reviewing and discussing our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies with respect to risk assessment and risk management. The audit committee also monitors compliance with legal and regulatory requirements and assists our board of directors in fulfilling its oversight responsibilities with respect to risk management, including risks related to cybersecurity matters. Our nominating and corporate governance committee assesses risks related to our corporate governance practices, ESG matters, the independence of our board of directors and monitors the effectiveness of our governance guidelines. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

We believe this division of responsibilities is an effective approach for addressing the risks we face and that our board leadership structure supports this approach.

Independence of Directors

The Nasdaq listing rules, which we continue to follow, generally require that a majority of the members of a listed company's board of directors be independent. In addition, the listing rules generally require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent.

In addition, audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in such member's capacity as a member of the audit committee, the board of directors or any other board committee (i) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries or (ii) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors conducts an annual review of the independence of our directors. Our board of directors has determined that none of the nominees and members of our board of directors other than Dr. Short has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of our nominees and the current members of our board of directors other than Dr. Short is "independent" as that term is defined under the rules of Nasdaq. Our board of directors has also determined that all members of our audit committee, compensation committee and nominating and corporate governance committee are independent and satisfy the relevant SEC and Nasdaq independence requirements for such committees.

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each committee are described below. Each of these committees has a written charter approved by our board of directors. Copies of the charters for each committee are available on the Investors/Governance section of our website, which is located at www.bioatla.com. Members serve on these committees until (i) they resign from their respective committee, (ii) they no longer serve as a director or (iii) as otherwise determined by our board of directors.

Audit Committee

Our audit committee is currently composed of Mary Ann Gray, Ph.D., who is the chair of our audit committee, Sylvia McBrinn, and Edward Williams. The composition of our audit committee meets the requirements for independence under current Nasdaq listing standards and SEC rules and regulations. Each member of our audit committee is financially literate. In addition, our board of directors has determined that Dr. Gray qualifies as an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K of the Securities Act of 1933, as amended, or the Securities Act. This designation does not impose any duties, obligations or liabilities that are greater than those generally imposed on members of our audit committee and our board of directors.

As more fully described in its charter, our audit committee has responsibility for, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained therein and discussing the statements and reports with our independent auditors and management;
- reviewing with our independent auditors and management significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters and other matters; and
- reviewing and providing oversight of any related-person transactions in accordance with our related-person transaction policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics.

Compensation Committee

Our compensation committee is currently composed of Sylvia McBrinn, who is the chair of our compensation committee, Susan Moran, M.D., M.S.C.E. and Lawrence Steinman, M.D. The composition of our compensation committee meets the requirements for independence under current Nasdaq listing standards and SEC rules and regulations. Each member of this committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act.

As more fully described in its charter, our compensation committee has responsibility for, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) our overall compensation strategy and policies;
- reviewing and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) the compensation and other terms of employment of our executive officers;
- reviewing and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;
- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;
- evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;
- reviewing and making recommendations to the full board of directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;
- administering our equity incentive plans and establishing policies with respect to equity compensation arrangements; and
- reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us.

The agenda for each meeting is usually developed by the Chair of the compensation committee, in consultation with the Company's Senior Vice President: Human Resources and Chief Executive Officer. The compensation committee meets regularly in executive session. However, from time to time, various members of management and other employees as well as outside advisors or consultants may be invited by the compensation committee to make presentations, to provide financial or other background information or advice or to otherwise participate in compensation committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations of the compensation committee regarding his compensation or individual performance objectives.

Our compensation committee is authorized to select, engage, compensate and terminate compensation consultants, legal counsel and such other advisors, as it sees fit, to assist in carrying out their responsibilities and functions, including the oversight of our overall compensation philosophy, compensation plans and benefits programs and our executive compensation programs and related policies. In 2025, the compensation committee continued to retain the services of Aon's Talent Solutions practice, a division of Aon plc (“Aon”), which is part of the Rewards Solutions practice at Aon plc, to provide advice and recommendations on competitive market practices and to evaluate our executive and non-employee director compensation programs and practices and to provide advice and ongoing assistance on our equity programs. Aon provided no other services to the Company in 2025. The compensation committee has determined that none of the work performed by Aon during the fiscal year ended December 31, 2025 raised any conflict of interest.

In December 2021, the board of directors created a board committee consisting solely of Dr. Short, the Company’s Chairman of the board of directors and CEO (the “Stock Plan Committee”), subject to annual terms and limitations adopted by the compensation committee. For 2025 and 2026, the compensation committee authorized the Stock Plan Committee to grant and determine the terms of stock options to newly hired employees or consultants under the 2020 Equity Incentive Plan and any successor plan, subject to certain limitations, including an aggregate maximum share limit. The Stock Plan Committee does not have authority to award options to directors, officers, holders of more than 10% of the Company’s securities or the CEO’s direct reports.

In addition, the compensation committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the compensation committee deems it appropriate to do so in order to carry out its responsibilities.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is composed of Lawrence Steinman, M.D., who is the chair of our nominating and corporate governance committee, Susan Moran, M.D., M.S.C.E. and Mary Ann Gray, Ph.D. The composition of our nominating and corporate governance committee meets the requirements for independence under current Nasdaq listing standards and SEC rules and regulations.

As more fully described in its charter, our nominating and corporate governance committee has responsibility for, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors consistent with criteria approved by our board of directors;
- determining the minimum qualifications for service on our board of directors;
- evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors;
- evaluating nominations by stockholders of candidates for election to our board of directors;
- considering and assessing the independence of members of our board of directors;
- developing a set of corporate governance policies and principles, including a code of business conduct and ethics, periodically reviewing and assessing these policies and principles and their application and recommending to our board of directors any changes to such policies and principles; and
- considering questions of possible conflicts of interest of directors as such questions arise.

Compensation Committee Interlocks and Insider Participation

The members of our compensation committee during 2025 included Ms. McBrinn, Dr. Moran and Dr. Steinman. None of the members of our compensation committee in 2025 was at any time during 2025 or at any other time one of our officers or employees, and none had or have any relationships with us that are required to be disclosed under Item 404 of Regulation S-K. During 2025, none of our executive officers served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors or compensation committee.

Nomination to the Board of Directors

Candidates for nomination to our board of directors are selected by our board of directors based on the recommendation of our nominating and corporate governance committee in accordance with its charter, our amended and restated certificate of incorporation and amended and restated bylaws, our Corporate Governance Guidelines and the criteria approved by our board of directors regarding director candidate qualifications. In recommending candidates for nomination, our nominating and corporate governance committee considers candidates recommended by directors, officers, employees, stockholders and others, using the same criteria to evaluate all candidates.

Director Qualifications

With the goal of developing a diverse, experienced and highly qualified board of directors, our nominating and corporate governance committee is responsible for developing and recommending to our board of directors the desired qualifications, expertise and characteristics of members of our board of directors, including any specific minimum qualifications that the committee believes must be met by a committee-recommended nominee for membership on our board of directors and any specific qualities or skills that the committee believes are necessary for one or more of the members of our board of directors to possess.

Because the identification, evaluation and selection of qualified directors is a complex and subjective process that requires consideration of many intangible factors, and will be significantly influenced by the particular needs of our board of directors from time to time, our board of directors has not adopted a specific set of minimum qualifications, qualities or skills that are necessary for a nominee to possess, other than those that are necessary to meet U.S. legal, regulatory and Nasdaq listing requirements and the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, our Corporate Governance Guidelines and the charters of the committees of our board of directors. Our nominating and corporate governance committee considers possible candidates from any source, including stockholders, for nominees for directors. All stockholder nominees for director will be considered by the nominating and corporate governance committee in the same manner as any other nominee. When considering nominees, our nominating and corporate governance committee may take into consideration many factors including, among other things, a candidate's independence, integrity, diversity, skills, financial and other expertise, breadth of experience, knowledge about our business or industry and ability to devote adequate time and effort to responsibilities of our board of directors in the context of its existing composition. Our board of directors does not have a formal policy with respect to diversity and inclusion; however, it affirms the value placed on diversity within our Company. Through the nomination process, our nominating and corporate governance committee seeks to promote board membership that reflects a diversity of business experience, expertise, viewpoints, personal backgrounds and other characteristics that are expected to contribute to our board of directors' overall effectiveness. Further, our board of directors is committed to actively seeking highly qualified women and individuals from minority groups to include in the pool from which new candidates are selected.

EXECUTIVE COMPENSATION

This compensation overview explains the strategy, design, and decision-making related to our compensation programs and practices for our named executive officers, referred to as our "NEOs." This overview is intended to provide perspective on the information contained in the tables that follow this discussion.

For fiscal year 2025, our NEOs were:

Name	Position
Jay M. Short, Ph.D.	Chief Executive Officer ("CEO"), Co-founder and Chairman of the Board of Directors
Richard A. Waldron	Chief Financial Officer
Eric Sievers, M.D.(1)	Chief Medical Officer

(1) Mr. Sievers resigned as Chief Medical Officer in September 2026.

Executive Summary

Fiscal Year 2025 Business Highlights

We are a clinical-stage biopharmaceutical company developing our novel class of highly specific and selective antibody-based therapeutics for the treatment of solid tumor cancer. Our conditionally active biologics ("CAB" or "CABs") capitalize on our proprietary discoveries with respect to tumor biology, enabling us to target known and widely validated tumor antigens that have previously been difficult or impossible to target.

Since the commencement of our operations, we have focused substantially all of our resources on conducting research and development activities, including drug discovery, preclinical studies and clinical trials of our product candidates, including the ongoing Phase 2 clinical trials of mecbotamab vedotin (BA3011), ozuriftamab vedotin (BA3021), evalstotug (BA3071), and the ongoing Phase 1 clinical trial of BA3182 (CAB-EpCAM x CAB-CD3), establishing and maintaining our intellectual property portfolio, manufacturing clinical and research material through third parties, hiring personnel, establishing product development and commercialization collaborations with third parties, raising capital and providing general and administrative support for these operations. Since 2014, such research and development activities have exclusively related to the research, development, manufacture, and Phase 1 and Phase 2 clinical testing of our CAB antibody-based product candidates and the strengthening of our proprietary CAB technology platform and pipeline. We do not have any products approved for sale, and we have not generated any revenue from product sales.

Build the Vision for the Future

Our mission is to develop and commercialize innovative antibody-based therapeutics for the treatment of solid tumors that are designed to bind depending on the physical and chemical properties of tumors and their microenvironment. We believe that our proprietary technology and approach have the potential to transform cancer therapy by decreasing systemic toxicities and improving efficacy.

Say-On-Pay

At the 2025 Annual Meeting of Stockholders, the Company's stockholders voted to approve, on an advisory basis, the compensation of the Company's NEOs, as described in the Company's 2025 proxy statement. The Compensation Committee considered the voting results and feedback from stockholders and whether the program was effective in fiscal year 2025 and reflects stockholder interests. The Compensation Committee has not made any changes to the overall executive compensation program because it believes the current compensation framework, which focuses on pay for performance and long-term growth, is operating as intended. The Compensation Committee believes that the program is effectively aligning pay with individual and Company performance and properly incentivizing and retaining our NEOs in a highly competitive market. The Compensation Committee will continue to consider feedback from stockholders and to monitor trends and developments to ensure that the Company's executive compensation programs remain competitively positioned for executive talent and aligned with the interests of stockholders.

Executive Compensation Philosophy and Objectives

We operate in a highly competitive and rapidly evolving market. Our ability to compete and succeed in our market is directly correlated to our ability to recruit, incentivize, and retain talented individuals in the areas of product development, and general and administrative functions. The market for skilled personnel in the biotechnology and biopharmaceutical industries is very competitive. Our Compensation Committee believes that the most effective compensation program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives and create long-term value for our stockholders, expand our business, and assist in the achievement of our strategic goals.

Our Compensation Committee believes executive compensation packages provided to our executives, including the NEOs, should include both cash and stock-based compensation that achieve the following goals:

- Recruit, motivate and retain highly qualified executive officers who possess the skills and leadership necessary to grow our long-term stockholder value;
- Reward our executives for achieving or exceeding short-term individual and company goals that drive our growth;
- Provide long-term retention and incentives to our executives that align their interests with the long-term interests of our Company and our stockholders, thereby incentivizing management to increase stockholder value; and
- Provide compensation packages that are competitive, reasonable and fair relative to peers and the overall market.

Our Compensation Committee periodically reviews our compensation program design to ensure that it is aligned with the interests of our stockholders and our business goals, and that the total compensation paid to our employees and directors is fair, reasonable and competitive. Our Compensation Committee assesses market best practices in executive compensation to continually refine our programs, which have the following key features:

- Attract and retain key talent;
- Offer a total compensation program that flexibly adapts to changing economic, regulatory and organizational conditions, and takes into consideration the compensation practices of peer companies;
- Pay for performance;
- Provide a significant portion of compensation that is at-risk and tied to our financial performance, strategic objectives or stock price;
- Align executive interests with our stockholders; and
- A significant portion of total compensation is either earned based on clinical development milestones, research and development goals, and strategic objectives, or varies based on our stock price, which contributes to value creation for our stockholders.

Compensation Governance Highlights

WHAT WE DO	WHAT WE DO NOT DO
☑ *Link Pay for Performance*: We link pay for performance and stockholder interests by weighting compensation toward short-term cash incentive awards and long-term equity awards which are tied to the value of our share price.	☒ *Single Trigger Acceleration*: We do not provide for "single trigger" acceleration upon a change of control.
☑ *Incentivize a Strong Ownership Mentality*: In February 2025, we granted equity awards to our executive officers, which we use to motivate long-term performance and strongly align the interests of our executives with those of our stockholders.	☒ *Executive Perquisites*: We do not maintain any executive-specific benefit or perquisite programs.

WHAT WE DO	WHAT WE DO NOT DO
☑ *Corporate Strategy Alignment*: Our Compensation Committee establishes incentive compensation programs based on metrics that are aligned with our corporate strategy and designed to grow stockholder value.	☒ *Tax Gross-Ups*: We do not provide tax gross-ups for "excess parachute payments" or any other executive benefits.
☑ *Use an Independent Compensation Consultant*: Our Compensation Committee retains an independent compensation consultant.	☒ *Excessive Executive Retirement Benefits*: We do not maintain an executive pension plan or supplemental retirement plan.
☑ *Prohibit the Hedging or Pledging of Our Common Stock*: Our Insider Trading Policy strictly prohibits hedging and pledging activities by executive officers, employees, and directors.	☒ *Excessive Cash Severance*: Our offer letters containing severance provisions do not provide for excessive cash severance in the event of termination.
☑ *Stock Ownership Guidelines*: We have implemented robust stock ownership guidelines for our executives.	☒ *Repricing*: We prohibit repricing of underwater stock options without prior stockholder approval.
☑ *Compensation Clawback Policy*: All incentive-based cash and equity awards are subject to recoupment in accordance with our compensation clawback policy, which requires the recovery of incentive-based compensation in the event of a restatement, and also allows for recovery in the event of non-restatement related miscalculations or legal and compliance violations.	☒ *Fixed Employment Terms or Guaranteed Salary Increases*: We do not enter into employment agreements that provide for fixed terms, automatic compensation increases or equity grants.

Elements of Executive Compensation

The Company's executive compensation program consists of three primary elements: base salaries, annual cash incentives, and long-term equity awards, as described below. The relative mix of these components is generally weighted more towards incentive rather than fixed compensation and towards long-term incentive compensation compared to short-term incentive compensation. We believe this relative weighting ensures that the interests of our executives are aligned with those of our stockholders.

Base Salary

2025 BASE SALARY

Philosophy	Structure	Highlights
Attract and retain. Provide fixed compensation to attract, retain and motivate highly talented executives.	Base salaries are set to be competitive within our industry and are important in attracting and retaining talented executives.	Historically, we have not applied specific formulas to determine changes in base salary. Instead, when setting base salaries, the Compensation Committee employs

Philosophy	Structure	Highlights
	Base salaries are fixed pay set with consideration for responsibilities, market data and individual contribution. Reviewed annually and adjusted when appropriate, based on scope of responsibility, performance, experience, and competitive market for executive talent.	a holistic review of numerous factors using its professional judgment and experience, emphasizing the following: individual contribution; roles and responsibilities; expected future contributions; peer and market salary data of similarly situated executives; and other business priorities of our Company. Fiscal year 2025 salaries for each NEO were increased from fiscal year 2024 to strengthen alignment with peer group market practices, to recognize performance and contribution to our overall business success, and to better align salaries with overall leadership responsibilities.

In March 2025, the Compensation Committee, after considering the market practice survey data of our peer group provided by Aon, increased the base salaries for Mr. Waldron and Dr. Sievers based on individual merit and performance.

The following table summarizes the annual base salary rates of our NEOs at fiscal year-end 2025 compared to 2024.

Executive	2024 Base Salary	2025 Base Salary	Year-over-Year % Increase
Jay M. Short, Ph.D.	$ 734,820	$ 734,820	—%
Richard A. Waldron	$ 480,640	$ 485,450	1.0%
Eric Sievers, M.D.	$ 510,220	$ 530,630	4.0%

Annual Cash Incentive Bonuses* - 2025 *Corporate Goals

2025 Bonus Opportunities

In May 2025, the Board of Directors approved certain corporate performance goals applicable for 2025, and in June 2025, the Compensation Committee approved the Corporate Bonus Plan ("Bonus Plan"). The corporate performance goals were established by the Compensation Committee, based on its assessment of the Company's business environment, competitive position, and performance.

The Bonus Plan provided our executives with the opportunity to earn an annual cash bonus that would be paid based on the achievement of pre-determined performance goals. Under the Bonus Plan, bonus targets were expressed as a percentage of base salary, with executives potentially earning a bonus based on actual achievement versus the corporate performance goals. For our NEOs, their bonus would be based solely on the achievement of corporate goals. Factors used to determine target amounts included: role, scope of responsibilities, internal equity and competitive market data.

The table below sets forth the 2025 targets under the Bonus Plan for each member of our management team. These bonus targets are reviewed annually by the Compensation Committee and adjusted if deemed appropriate by the Compensation Committee.

Function – Level	2025 Target
CEO (Jay M. Short, Ph.D.)	60%
C-Level (Richard A. Waldron, Eric Sievers, M.D.)	40%

The 2025 corporate performance goals consisted of certain business goals (10% weight), clinical development milestones (25% weight) and strategic and financial objectives (65% weight). The amount of annual bonus, if earned, would depend on whether the Company achieved the performance level for the applicable corporate performance goal. Each of the performance goals was measured independently of the other. Payment of cash bonuses was subject to attaining 50% threshold performance of the weighted combination of the corporate performance goals overall. Actual payouts could range from 50% to 125% of target, based on performance.

Because the Company did not meet the 50% threshold corporate goal achievement, no annual bonuses were paid to our NEOs under the Bonus Plan for 2025.

Long-Term Equity Incentives - 2025 Equity Grants

Philosophy	Considerations for Grant	Vesting Provisions
Attract and Retain Executives: Designed to retain our executive officers and other employees and align their long-term interests with the creation of long-term value for our stockholders. By having a percentage of our executive officers' target total direct compensation payable in the form of equity that vests over a number of years and, thus, subject to higher risk and longer vesting than cash compensation, our executive officers are motivated to remain employed with us and take actions that will benefit the Company and its stockholders over the long term. *Align Interests with Stockholders*: Align the interests of executives with those of stockholders by issuing equity awards for which the value is correlated to our stock price.	Factors used to determine the size of grants include: (i) the responsibilities, past performance, and anticipated future contributions of the NEO; (ii) the competitiveness of the NEO's overall compensation package with reference to competitive market data; (iii) the NEO's existing equity holdings; (iv) the extent to which these holdings are vested; and (v) the recommendations of our CEO (other than with respect to his own grant). Balancing retention while maintaining alignment to stock price and stockholder interests.	Our Compensation Committee approved granting of restricted stock unit (RSU) awards to our NEOs in 2025 to ensure that a significant portion of our executive compensation consists of unvested long-term incentives. RSUs granted to our current NEOs vest over four years (with a one-year cliff), subject to the executive's continued service on each applicable vesting date.

Equity compensation is a key component of our executive compensation program. Historically, our executives have generally been awarded an initial new hire equity grant upon commencement of employment. Additional equity grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals and/or to reward executives for exceptional performance. By having a significant percentage of our executive officers' target total direct compensation payable in the form of equity that vests over a number of years and, thus, subject to higher risk and long-term vesting than cash compensation, our executive officers are motivated to remain employed with BioAtla and take actions that will benefit BioAtla and its stockholders over the long term.

In March 2025, after carefully considering the performance of the Company and the executive team, our Compensation Committee granted RSUs to each of our NEOs. Dr. Short, Mr. Waldron, and Dr. Sievers were granted 8,620 RSUs, 2,000 RSUs, and 3,500 RSUs, respectively. 25% of the total number of shares subject to each RSU grant shall vest on the one-year anniversary of the grant date, and 6.25% of the total number of shares subject to the RSU grant shall vest on the last day of each of the 3-month periods following the month in which such first anniversary occurs, subject to continued service through each applicable vesting date.

Executive Employment Arrangements

We have entered into offer letter agreements or employment agreements with each of our current NEOs, pursuant to which their employment is "at-will" and may be terminated by the Company at any time and for any reason. For a description of the severance agreement that we have entered into with each NEO, please see the section titled "Potential Payments upon Termination or Change in Control" below.

Other Compensation Policies and Practices

No Insider Trading, Hedging or Pledging

Our NEOs, employees, and directors are subject to our insider trading policy, which we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, as well as applicable listing standards. Under the terms of our insider trading policy, no employees, contractors, consultants and members of our Board of Directors (and their respective family members and any affiliated entities, such as venture capital funds) may engage in short sales or other hedging or monetization transactions involving our securities, such as exchange funds, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments. In addition, such persons may not hold our securities in a margin account or pledge our securities as collateral for a loan.

Stock Ownership Guidelines

The Compensation Committee has adopted stock ownership guidelines for our executives to better align the executives' interests with those of our stockholders. Guidelines are determined as a multiple of the executive's base salary. The CEO guidelines are established as three times the CEO's base salary and guidelines for other executive officers are established as one times such executive's base salary. The guideline ownership must be obtained within five years. Executive officer ownership is evaluated annually as of December 31 using the highest closing price of the Company's common stock in the fiscal year of evaluation. Shares that count toward meeting the stock ownership guidelines include shares owned directly, full value awards (e.g., time-vested restricted stock and RSUs), vested stock options (spread value) and shares owned directly by the executive's spouse, dependent children and/or trust. For fiscal year 2025, each NEO held the requisite number of shares and was accordingly in compliance with our stock ownership guidelines.

Compensation Clawback Policy

The Compensation Committee has adopted the BioAtla, Inc. Compensation Recovery Policy, effective October 2, 2023, which is intended to comply with SEC and Nasdaq requirements providing for the recovery of erroneously awarded incentive-based compensation received by current or former executive officers. Under the Compensation Recovery Policy, which applies to all executive officers, recovery of compensation is required in the event of a restatement, and our Compensation Committee also has discretion to recover compensation in the event of non-restatement related miscalculations or legal and compliance violations committed by covered persons.

Equity Award Timing Policies and Practices

We do not take material nonpublic information into account when determining the grant timing and terms of equity awards, and we do not time the release of material nonpublic information based on equity award grant dates or for the purpose of affecting the value of executive compensation. Although we do not have a formal policy with respect to the timing of our equity award grants, the Compensation Committee has historically granted such awards in the first quarter of each fiscal year. This timing was selected because it aligns with our evaluation of our performance against the goals we set for our executives for the prior year and the setting of such goals for the current year. We also grant equity awards on other dates to newly hired employees and periodically in connection with promotions or to improve competitiveness and to position employees appropriately to benchmarks. In fiscal year 2025, we did not grant new awards of stock options, stock appreciation rights, or similar option-like instruments to our NEOs.

Severance and Change in Control Benefits Summary

All of our current NEOs are employed at-will and may be terminated at any time, with or without formal cause. We have entered into arrangements with each of our NEOs which provide for certain severance benefits upon a termination of employment, subject to the executive's execution of a release agreement acceptable to us. These severance benefits have been provided to our NEOs in order to assist us in recruiting and retaining talented individuals and to align the executives' interests with the best interests of our stockholders. We believe these severance benefits are an essential element of our overall executive compensation package due to the competitive market for executive talent in our industry.

Dr. Short is entitled to certain cash benefits and equity acceleration upon any termination of his employment, following the occurrence of a change of control which occurred in 2020.

In addition, we entered into a "double-trigger" severance agreement with Mr. Waldron, pursuant to which he would be entitled to certain cash benefits and accelerated vesting of equity awards in the event of a termination without cause or a resignation for good reason following a change in control, subject to the execution of a release agreement acceptable to us. Finally, pursuant to the BioAtla, Inc. Management Change of Control Severance Plan, Dr. Sievers is entitled to certain cash benefits and accelerated vesting of equity awards in the event of a termination without cause or a resignation for good reason following a change in control, subject to the execution of a release agreement acceptable to us. These arrangements are considered "double-trigger", as they require both a change in control as well as a qualifying termination of employment. Our Compensation Committee believes that "double- trigger" provisions preserve morale and productivity, and encourage executive retention in the event of a change in control. These provisions are considered a typical component of a competitive executive compensation program for executives among our 2025 peer group.

A description of the severance benefits provided under our executive officer arrangements is provided below under the heading "Potential Payments Upon Termination or Change in Control."

Other Executive Benefits and Perquisites

We provide benefits to our NEOs on the same basis as provided to all of our employees, including health, dental and vision insurance; life insurance; accidental death and dismemberment insurance; disability insurance; and a tax-qualified Section 401(k) plan. We do not maintain any executive-specific benefit or perquisite programs.

How We Determine Executive Compensation

Role of the Compensation Committee and Management

The Compensation Committee makes recommendations to our Board of Directors for approval regarding the compensation arrangements of our CEO and approves all compensation arrangements for our NEOs. Our Compensation Committee has numerous resources upon which it relies, including input from our Board of Directors, CEO and independent consultants. However, the ultimate decision-making authority rests with the Compensation Committee, subject to Board approval with respect to our CEO's compensation. These decisions are based on a careful review of performance as well as the competitive market environment.

Members of management and advisors and consultants may be invited to participate in meetings, but the Compensation Committee meets regularly in executive session. Our CEO is often present and participates in discussions regarding compensation of our other executive officers. Executives, including our CEO, are not present during deliberations regarding their own performance or compensation.

Role of Compensation Consultant

Since 2020, the Compensation Committee has retained the services of Aon as its independent, external compensation consultant. Aon assists the Compensation Committee in its review of executive and director compensation practices, including the market competitiveness of compensation, executive compensation design, benchmarking with industry peers and other technical considerations including tax and accounting considerations.

For 2025 compensation matters, Aon advised and assisted with the following:

- assessing executive and director pay relative to the market;
- reviewing and suggesting changes to the compensation peer group; and
- reviewing the "Compensation Overview" for use in our annual proxy statement, if required, and other proxy statement disclosures.

The Compensation Committee regularly evaluates the services Aon provides and has final authority to engage and terminate their services. Our Compensation Committee has assessed Aon's independence consistent with Nasdaq listing standards and has concluded that the engagement of Aon does not raise any conflict of interest.

Pay Positioning and Compensation Peers

In setting compensation, the Compensation Committee compares base salaries, annual incentive opportunities and long-term compensation for the NEOs to a peer group of similarly sized companies. A key objective of our executive compensation program is to ensure that the overall compensation packages we offer our executives are competitive with the packages offered by companies with which we compete for executive talent. The Compensation Committee consults with its independent compensation consultant to develop a peer group of companies to serve as the basis for comparing our executive compensation program to the market.

When setting fiscal year 2025 compensation, our Compensation Committee considered competitive market practices when setting total pay levels. However, competitive market data is only one of several resources made available to the Compensation Committee to assist it in setting executive compensation levels. While referencing peer group compensation levels is helpful in determining market-competitive compensation for our NEOs, our Compensation Committee does not directly tie any pay elements to particular benchmarks within the peer group. Rather, peer data is one consideration, along with employee skills and experience, individual performance, scope of responsibilities, and other factors. The Compensation Committee does not use a formula to determine compensation or as a fixed target.

In developing our peer group, which was approved in September 2024, the Compensation Committee considered the following key qualitative and quantitative criteria:

- **Sector & Stage**—US-based, public pre-commercial biopharmaceutical companies;
- **Stage of business**—focus on companies in Phases 1 to 3 of clinical trials, preferably with a focus in oncology;
- **Market Capitalization**—between approximately $50 million and $500 million (as of the date the peer group was determined) while maintaining some of the existing peers for year over year consistency; and
- **Headcount**—generally under 200 employees.

Following this analysis, the Compensation Committee identified the following 24 companies as our peer group to be used as a reference for its executive compensation decisions in 2025.

ALX Oncology Holdings, Inc.	Gritstone bio, Inc.	PDS Biotechnology Corporation
Aura Biosciences, Inc.	IGM Biosciences, Inc.	PMV Pharmaceuticals, Inc.
Black Diamond Therapeutics, Inc.	Ikena Oncology, Inc.	Precision BioSciences, Inc.
Boundless Bio, Inc.	Immuneering Corporation	Pyxis Oncology, Inc.
C4 Therapeutics, Inc.	Kezar Life Sciences, Inc.	Sutro Biopharma, Inc.
Compass Therapeutics, Inc.	Kronos Bio, Inc.	Verastem, Inc.
Corvus Pharmaceuticals, Inc.	Leap Therapeutics, Inc.	X4 Pharmaceuticals, Inc.
CytomX Therapeutics, Inc.	Mersana Therapeutics, Inc.	Zentalis Pharmaceuticals, Inc.

Executive Compensation Tables

Summary Compensation Table

The following table sets forth information with respect to the compensation earned or awarded by the Company to its NEOs for each of the last two fiscal years in which they were an NEO.

Name and Principal Position	Year	Salary ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Jay M. Short, Ph.D.	2025	734,820	144,428	—	—	—	879,248
Chief Executive Officer, Co-founder, and Chairman of the Board of Directors	2024	734,820	942,420	—	275,558	—	1,952,798
Richard A. Waldron	2025	485,450	30,730	—	—	—	516,180
Chief Financial Officer	2024	480,640	280,900	—	120,160	—	881,700
Eric Sievers, M.D.	2025	530,630	53,778	—	—	—	584,408
Chief Medical Officer	2024	510,220	323,300	—	127,555	—	961,075

(1) Amounts in this column reflect the aggregate grant date fair value of RSUs and stock options computed in accordance with FASB ASC Topic 718. The grant date fair value of the RSUs was determined by multiplying the number of RSUs by the closing price of a share of our common stock on the date of grant. The grant date fair value of the options was determined using the Black-Scholes option pricing model based on the fair market value on the date of grant. These amounts reflect our accounting expense for these stock awards and do not represent the actual economic value that may be realized by each NEO. There can be no assurance that these amounts will ever be realized. For information on the assumptions used in valuing these awards, see Note 8 to the financial statements included in the Company's Original Form 10-K.

Outstanding Equity Awards at Fiscal Year-End Table

The following table provides information regarding each unexercised stock option or unvested stock award held by our NEOs as of December 31, 2025.

		Option Awards					Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested(1)
Jay M. Short, Ph.D.	12/15/2020(2)	619	—	—	$900.00	12/14/2030	—	—
	2/22/2022(3)	6,459	281	—	$333.00	2/21/2032	—	—
	2/10/2023(3)	12,042	4,958	—	$182.50	2/9/2033	—	—
	2/16/2024(4)	—	—	—	$ —	—	4,691	$133,154
	3/12/2025(4)	—	—	—	$ —	—	8,620	$244,679
Richard A. Waldron	12/15/2020(2)	619	—	—	$900.00	12/14/2030	—	—
	2/21/2022(3)	2,204	96	—	$337.50	2/20/2032	—	—
	2/9/2023(3)	2,975	1,225	—	$197.50	2/8/2033	—	—
	2/15/2024(4)	—	—	—	$ —	—	1,192	$ 33,835
	3/11/2025(4)	—	—	—	$ —	—	2,000	$ 56,770
Eric Sievers, M.D.	12/15/2020(2)	1,549	—	—	$900.00	12/14/2030	—	—
	2/21/2022(3)	2,338	102	—	$337.50	2/20/2032	—	—
	2/9/2023(3)	3,400	1,400	—	$197.50	2/8/2033	—	—
	2/15/2024(4)	—	—	—	$ —	—	1,372	$ 38,944
	3/11/2025(4)	—	—	—	$ —	—	3,500	$ 99,348

(1) The market values of the RSUs that have not vested are calculated by multiplying the number of shares underlying the RSUs shown in the table by $28.3850, the closing market price of a share of our common stock on December 31, 2025, the last trading day of 2025.
(2) The option was fully vested as of December 15, 2024.
(3) The option vests over a period of four years, with 25% of the shares underlying the option vested on the one-year anniversary of the grant date, and the remainder vesting in 36 substantially equal monthly installments thereafter, subject to continued service through each applicable vesting date.
(4) 25% of the total number of shares subject to the RSU grant shall vest on the one-year anniversary of the grant date, and 6.25% of the total number of shares subject to the RSU grant shall vest on the last day of each of the 3-month periods following the month in which such first anniversary occurs, subject to continued service through each applicable vesting date.

Potential Payments upon Termination or Change in Control

All of our current NEOs are employed at-will and may be terminated at any time, with or without formal cause. We have entered into arrangements with each of our current NEOs which provide for certain severance benefits upon a termination or change in control, subject to the executive's execution of a release agreement acceptable to us, as described below.

Individual Severance Arrangements

Dr. Short. In July 2018, we entered into a change in control severance agreement with Dr. Short which provides that, in the event his employment terminates for any reason at any time following a Change in Control (as defined in the severance agreement) then, subject to his execution of a release of claims in our favor, he will receive (i) a severance payment equal to 24 months of his then-current base salary; (ii) a pro-rated bonus payment equal to his target bonus for the year in which the termination occurred; (iii) if Dr. Short's termination occurs prior to the date bonuses are paid for the immediately preceding year, an amount equal to his full target bonus; and (iv) accelerated vesting of any unvested time-based equity awards then held by him. The severance and bonus payments to Dr. Short are payable as a lump sum within 20 days of the effective date of his release or such later date as required under Section 409A of the Code. In 2020, an event constituting a Change in Control (as defined in the severance agreement) occurred and, accordingly, Dr. Short will be entitled to the severance benefits described above upon his termination of employment with the Company.

Mr. Waldron. In July 2018, we entered into a change in control severance agreement with Mr. Waldron which provides that, in the event his employment is terminated by the Company without Cause or he resigns for Good Reason within the time period beginning three months before a Change in Control (as such terms are defined in the severance agreement) and ending 12 months after a Change in Control, then subject to his execution of a release of claims in our favor, he will receive (i) a severance payment equal to 12 months of his then-current base salary; (ii) a pro-rated bonus payment equal to his target bonus for the year in which the termination occurred; (iii) if the termination occurs prior to the date bonuses are paid for the immediately preceding year, an amount equal to his full target bonus for the prior year; and (iv) accelerated vesting of all outstanding units, shares or options and continuation of the applicable exercise period for all units, shares or options under a separate consulting agreement between the Company and Mr. Waldron. The severance and bonus payments to Mr. Waldron are payable as a lump sum within 20 days of the effective date of his release. Mr. Waldron's employment with the Company terminated in March 2026. Because his termination did not occur within the Change in Control protection period described above, Mr. Waldron is not entitled to any benefits under his change in control severance agreement.

Dr. Sievers. In July 2019, we entered into an offer letter agreement with Dr. Sievers which provides that, in the event his employment is terminated by the Company without Cause (as defined in the offer letter), then subject to his execution of a release of claims in our favor, the Company will provide him with severance in a total amount equal to six months of his then-current base salary, payable in the form of salary continuation, and continued health insurance under the Consolidated Omnibus Budget Reconciliation Act (COBRA) for him and his eligible dependents during such period. Dr. Sievers resigned from the Company in September 2026 and, as a result, is not entitled to any severance benefits under his offer letter agreement.

Management Change of Control Severance Plan

Dr. Sievers. On September 15, 2022, the Compensation Committee adopted the BioAtla, Inc. Management Change of Control Severance Plan (the "Severance Plan"). Dr. Sievers is eligible to participate in the Severance Plan. Dr. Sievers is eligible to receive the following payments and benefits in the event of a termination by the Company without Cause or a Resignation by the executive with Good Reason, in each case, during the 12-month period following a Change of Control (as such terms are defined in the Severance Plan): (i) a lump sum payment equal to 1.0 times his base salary; (ii) a prorated portion of his target bonus amount for the year of termination; and (iii) full vesting of his outstanding equity awards (assuming target achievement of any applicable performance-based vesting criteria to the extent the performance period has not yet been completed). Receipt of benefits under the Severance Plan is conditioned upon his execution of a general release of claims and compliance with certain restrictive covenants running in favor of the Company. The severance provisions of the Severance Plan will apply only with respect to a qualifying termination during the 12 months following a Change of Control, while the severance provisions of Dr. Sievers' offer letter (described above) will apply only with respect to a qualifying termination outside of such period.

Director Compensation Table

The following table provides information concerning compensation awarded to, earned by and paid to each person who served as a non-employee member of our Board of Directors during the fiscal year ended December 31, 2025.

Name(1)	Fees Earned or Paid in Cash ($) (2)	Stock Awards ($)(3)(4)	Total ($)
Lawrence Steinman, M.D.	78,000	9,365	87,365
Susan Moran, M.D.	49,000	9,365	58,365
Mary Ann Gray, Ph.D.	59,000	9,365	68,365
Sylvia McBrinn	57,500	9,365	66,865
Scott Smith(5)	40,000	9,365	49,365
Edward Williams	47,500	9,365	56,865

(1) Dr. Short is not included in this table because he was employed as our Chief Executive Officer and received no compensation for his service as a director in fiscal year 2025.
(2) Our non-employee directors received an annual retainer fee plus any additional annual fees due for service on our committees in the amounts described under "Non-Employee Director Compensation Arrangements."
(3) On June 18, 2025, Messrs. Smith, Steinman and Williams and Mses. Moran, Gray, and McBrinn were each granted 23,500 restricted stock units ("RSUs"), pursuant to the Company's 2020 Equity Incentive Plan, which vest on the earlier of the one-year anniversary of the grant date or the day before the next annual meeting of stockholders, subject to the director's continued service through such vesting date.
(4) Our non-employee directors who served in 2025 held the following number of unexercised stock options and unvested RSUs as of December 31, 2025. Dr. Short is omitted from this table as his outstanding equity is reflected in "Executive Compensation—Outstanding Equity Awards Table" above.
(5) Mr. Smith ceased being a director in July 2026.

Name	Stock Options Outstanding	Unvested Restricted Stock Units
Lawrence Steinman, M.D.	1,646	470
Susan Moran, M.D.	1,646	470
Mary Ann Gray, Ph.D.	1,646	470
Sylvia McBrinn	1,892	470
Scott Smith	15,216	470
Edward Williams	1,900	470

Non-Employee Director Compensation Arrangements

We maintain a non-employee director compensation program which is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our stockholders.

Our non-employee director compensation policy, as amended and restated in June 2024, provides that each non-employee director will receive the following compensation for service on our Board of Directors:

- an annual cash retainer of $40,000;
- an annual cash retainer of $25,000 for a non-employee director's service as lead independent director;
- an additional annual cash retainer of $7,500, $5,000 and $4,000 for service as a member of each of the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee, respectively; and

- an additional annual cash retainer of $15,000, $10,000 and $8,000 for service as chairman of the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee, respectively.

In addition, non-employee directors are eligible to receive such equity awards under the Company's 2020 Equity Incentive Plan, as amended, as may be approved from time to time by our Board of Directors subject to the recommendations of the Compensation Committee.

We also reimburse our directors for their reasonable out-of-pocket travel expenses in connection with attending meetings of our Board of Directors and committees.

The non-employee director compensation program is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our stockholders.

Director Stock Ownership Guidelines

Our Board of Directors has instituted the following stock ownership guidelines for its non-employee directors to better align our directors' interests with those of our stockholders. Director guidelines are determined as a multiple of the annual cash retainer for board membership. The director guidelines are established as three times the director's annual cash retainer. The guideline ownership must be obtained within five years. Director ownership is evaluated annually as of December 31 using the highest closing price of the Company's common stock in the fiscal year of evaluation. Shares that count toward meeting the stock ownership guidelines include shares owned directly, full value awards (e.g., RSUs), vested stock options (spread value) and shares owned directly by the director's spouse, dependent children and/or trust. For fiscal year 2025, all our non-employee directors have satisfied their ownership requirement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Certain Relationships and Transactions

In addition to the executive officer and director compensation arrangements discussed above under "Executive Compensation" respectively, since January 1, 2023 the following are the only transactions or series of similar transactions to which we were or will be a party in which the amount involved exceeds $120,000 and in which any director, nominee for director, executive officer, beneficial holder of more than 5% of our capital stock or any member of their immediate family or any entity affiliated with any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change of control and other arrangements, which are described under "Executive Compensation."

Himalaya Therapeutics SEZC

Himalaya Therapeutics SEZC ("Himalaya") is a related party as Dr. Short, our Chief Executive Officer and Chairman of the Board of Directors, and his spouse, Carolyn Anderson Short, serve as directors for Himalaya, and Carolyn Anderson Short also serves as an officer of such entity.

Clinical Trial Services Agreement

In January 2024, we entered into an amended Clinical Trial Services Agreement with Himalaya, which amends the Clinical Trial Agreement with Himalaya, dated April 8, 2022, pursuant to which Himalaya agreed to provide services related to the initiation of clinical trials for BA3011 in the People's Republic of China. Under the amended agreement, BioAtla will pay Himalaya for the full-time use of two of its personnel and provide services related to the initiation of clinical trials for evalstotug in China for a period of twelve months.

Global Transaction Agreement

In September 2024, we entered into a Global Transaction Agreement (the "Himalaya Agreement") with Himalaya. BioAtla and Himalaya had previously entered into an Amended and Restated Exclusive Rights Agreement (the "Amended Rights Agreement") in January 2020. Pursuant to the Amended Rights Agreement, Himalaya controls rights to develop, manufacture and commercialize certain assets in certain territories, including BA3362 which was licensed to Context Therapeutics Inc. in September 2024 ("Context") (see Note 9 to the historical financial statements included in the Original Form 10-K). Pursuant to the Himalaya Agreement, Himalaya consented to BioAtla's execution and performance of the Context License Agreement, and granted to BioAtla an exclusive, worldwide, sublicensable license for those impacted products and intellectual property. Further, as set forth in the Amended Rights Agreement and further clarified in the Himalaya Agreement, BioAtla agreed to pay Himalaya, subject to any applicable tax withholdings, (i) a mid-teens percentage of all upfront payments and development milestones received by BioAtla from Context under the Context License Agreement; and (ii) a specified percentage of any and all sales milestones and/or royalties based upon Net Sales (as defined in the Context License Agreement) in the People's Republic of China and the Special Administrative Regions of Hong Kong, Macao and Taiwan that BioAtla receives from Context under the Context License Agreement.

BioAtla is the principal in the Context License Agreement and in the Himalaya Agreement and will record revenues and expenses on a gross basis given that BioAtla had full discretion in setting consideration pricing in the Context License Agreement. BioAtla will be primarily responsible for providing the License, and Himalaya has no obligation to be a part of any of the fulfillment activities.

For the three and six months ended June 30, 2026, the Company recognized $1.0 million in expense related to the transactions with Himalaya. For the three and six months ended June 30, 2025, the Company did not recognize any expense related to the transactions with Himalaya. As of June 30, 2026, the Company had $0.3 million due to Himalaya.Inversagen AI LLC.

Investment Agreement

On December 30, 2025, we entered into an Investment Agreement (the "Investment Agreement") with Inversagen AI LLC, a Delaware limited liability company ("Inversagen AI"), and Alliance International Resources Corp., a Nevada corporation ("AIRC"). Inversagen AI is a related party of the Company, as the Company's Chairman and Chief Executive Officer, Dr. Jay Short, and his spouse serve as managers of Inversagen AI. Subject to completion of financings by Inversagen AI as set forth in the Investment Agreement, we agreed to sell common units in a subsidiary, BA 3021 SPV LLC (the "SPV"), to Inversagen AI in a private placement over multiple closings. Upon completion of the transaction, Inversagen AI would own an aggregate 35% of the common units in the SPV in exchange for an aggregate $40 million. Concurrently with the initial closing, we agreed to enter into an exclusive license agreement (the "License Agreement") with the SPV in which we would grant to the SPV, an exclusive, worldwide, perpetual and irrevocable license to BioAtla's intellectual property rights in ozuriftamab vedotin ("Oz-V"). We agreed to grant the SPV the right to develop and commercialize Oz-V for all human uses, other than diseases (in all cases excluding oncology) in humans involving senescent cell elimination therapy.

We planned to use the gross proceeds received from the sale of the SPV common units to Inversagen AI for general operating expenses and clinical trial expenses to advance Oz-V in the Phase 3 Study. However, in connection with recent events, including the previously announced formal process to explore and evaluate strategic options and related workforce reduction, the transaction has not closed and the timing of completing the transaction and initiation of the Phase 3 Study are being re-evaluated, and we are in discussions to potentially restructure the transaction pending the outcome of the strategic process.

Inversagen, LLC, a Delaware Limited Liability Company ("Inversagen LLC") holds an exclusive license to CAB senescence and longevity technologies from the Company. Inversagen LLC subsequently contributed these rights to Inversagen AI. Inversagen, LLC is a related party of the Company, as Dr. Short and his spouse serve as managers of Inversagen LLC.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and officers. The indemnification agreements and our amended and restated certificate of incorporation and amended and restated bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law.

Policies and Procedures for Transactions with Related Persons

We have adopted a written related-person transactions policy that sets forth our policies and procedures regarding the identification, review, consideration and oversight of "related-person transactions". For purposes of our policy only, a "related-person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any "related person" are participants involving an amount that exceeds $120,000.

Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. A related person is any executive officer, director or a holder of more than 5% of our common stock, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit committee (or, where review by our audit committee would be inappropriate, to another independent body of our board of directors) for review. The presentation must include a description of, among other things, the material facts, the direct and indirect interests of the related persons, the benefits of the transaction to us and whether any alternative transactions are available. To identify related-person transactions in advance, we rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our audit committee or another independent body of our board of directors takes into account the relevant available facts and circumstances including:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;

- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from our employees generally.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of September 30, 2026 by:

- each stockholder known by us to be the beneficial owner of more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and beneficial ownership is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned by them, subject to community property laws where applicable. Shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of September 30, 2026 and shares issuable upon the settlement of RSUs that will vest within 60 days of September 30, 2026 are deemed to be outstanding and to be beneficially owned by the person holding the stock options or RSUs for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Percentage ownership of our common stock is based on 1,668,261 shares of our common stock outstanding and 0 shares of Class B common stock outstanding on September 30, 2026. Unless otherwise indicated, the address of each of the individuals and entities named below is c/o BioAtla, Inc., 11085 Torreyana Road, San Diego, California 92121.

Name of Beneficial Owner	Number of Shares Beneficially Owned (#)	Percentage of Shares Beneficially Owned (%)
Highbridge Capital Management, LLC(1)	96,790	5.81%
Anson Funds Management LP(2)	96,791	5.81%
Acorn Bioventures, L.P.(3)	96,702	5.80%
Named Executive Officers and Directors		
Mary Ann Gray, Ph.D.(4)	3,193	*
Sylvia McBrinn(5)	3,073	*
Susan Moran, M.D.(6)	2,692	*
Eric Sievers, M.D.(7)	12,308	*
Jay M. Short, Ph.D.(8)	91,545	5.41%
Lawrence Steinman, M.D.(9)	3,215	*
Richard A. Waldron(10)	12,943	*
Edward Williams(11)	3,104	*
All executive officers and directors as a group (9 persons)**(12)**	160,442	8.31%

* Represents beneficial ownership of less than one percent of the outstanding shares of our common stock.

(1) Based on information contained in a Schedule 13G filed with the SEC on April 25, 2025. The amount of common stock beneficially owned consists of 96,790 shares of common stock issuable upon the exercise of warrants exercisable within 60 days of September 30, 2026. The warrants held by this shareholder include provisions that limit the exercise thereof to the extent such exercise would cause the holder, together with its affiliates and any other person acting together with it and its affiliates, to beneficially own a number of shares of common stock that would exceed 9.99% of our then outstanding common stock immediately after giving effect to such exercise. The address of such entity is 277 Park Avenue, 23rd Floor, New York, New York 10172.

(2) Based on information provided by Anson Funds Management L.P. The amount of common stock beneficially owned consists of 96,791 shares of common stock issuable upon the exercise of warrants exercisable within 60 days of September 30, 2026. The warrants held by this shareholder include provisions that limit the exercise thereof to the extent such exercise would cause the holder, together with its affiliates and any other person acting together with it and its affiliates, to beneficially own a number of shares of common stock that would exceed 9.99% of our then outstanding common stock immediately after giving effect to such exercise. The address of such entity is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(3) Based on information contained in a Schedule 13G/A filed with the SEC on May 20, 2025, consisting of (i) 43,244 shares of common stock held by Acorn Bioventures, L.P. ("Acorn") and (ii) 53,458 shares of common stock held by Acorn Bioventures 2, L.P. ("Acorn 2"). Acorn Capital Advisors GP, LLC ("Acorn GP") is the sole general partner of Acorn and may be deemed to beneficially own the shares of common stock beneficially owned by Acorn. Acorn Capital Advisors GP 2, LLC ("Acorn GP 2") is the sole general partner of Acorn 2 and may be deemed to beneficially own the shares of common stock beneficially owned by Acorn 2. Anders Hove is the manager of Acorn GP and Acorn GP 2 and may be deemed to beneficially own the shares of common stock beneficially owned by Acorn and Acorn 2. The address of these entities and Mr. Hove is 420 Lexington Avenue, Suite 2626, New York, New York 10170.

(4) Includes 1,646 shares of common stock that are subject to options vested as of September 30, 2026.

(5) Includes 1,891 shares of common stock that are subject to options vested as of September 30, 2026.

(6) Includes 1,646 shares of common stock that are subject to options vested as of September 30, 2026.

(7) Includes (i) 8,289 shares of common stock that are subject to options vested as of September 30, (ii) 371 shares of common stock that are issuable upon vesting of restricted stock units within 60 days of September 30, 2026 and (iii) 200 shares of common stock that are issuable upon exercise of outstanding options within 60 days of September 30, 2026.

(8) Includes (i) 52,035 shares held by Dr. Short, which includes (a) 22,589 shares of common stock that are subject to options vested as of September 30, (b) 1,060 shares of common stock that are issuable upon vesting of restricted stock units within 60 days of September 30, 2026 and (c) 708 shares of common stock that are issuable upon exercise of outstanding options within 60 days of September 30, 2026; (ii) 5,174 shares held by Jay M. Short 2020 Irrevocable Gift Trust, which Dr. Short is the trustee of and holds sole voting and dispositive power with respect to the shares; (iii) 15,870 shares held by Dr. Short's spouse, as to which Dr. Short disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any; (iv) 5,174 shares held by Carolyn Short 2020 Irrevocable Gift Trust, as to which Dr. Short disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any; (v) 6,046 shares held by Capia IP, LLC, which Dr. Short's spouse is the managing member of and as to which Dr. Short disclaims beneficial ownership, except to the extent of his pecuniary interest therein; and (vi) 1 share held by Himalaya Parent LLC, which Dr. Short and Dr. Short's spouse are the managers of and as to which Dr. Short disclaims beneficial ownership of except to the extent of his pecuniary interest therein.

(9) Includes 1,646 shares of common stock that are subject to options vested as of September 30, 2026.

(10) Includes 6,075 shares of common stock that are subject to options vested as of September 30, 2026.

(11) Includes 1,900 shares of common stock that are subject to options vested as of September 30, 2026.

(12) Includes (i) 63,221 shares of common stock that are subject to options vested as of September 30, 2026, (ii) 1,624 shares of common stock that are issuable upon vesting of restricted stock units within 60 days of September 30, 2026 and (iii) 1,020 shares of common stock that are issuable upon exercise of outstanding options within 60 days of September 30, 2026 held by all our executive officers and directors as a group.

DESCRIPTION OF SECURITIES

We have one class of securities registered under Section 12 of the Exchange Act: our common stock. The following summary of the terms of our common stock is based upon our amended and restated certificate of incorporation and our amended and restated bylaws. This summary does not purport to be complete and is subject to, and is qualified in its entirety by express reference to, the applicable provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus forms a part. We encourage you to read our amended and restated certificate of incorporation, our amended and restated bylaws and the applicable provisions of the Delaware General Corporation Law for more information.

Common stock and class B common stock

We are authorized to issue up to a total of 350,000,000 shares of common stock, par value $0.0001 per share, and up to a total of 15,368,569 shares of Class B common stock, par value $0.0001 per share. No Class B common stock is outstanding as of June 30, 2026. The holders of our common stock and Class B common stock have identical rights, provided that (i) except as otherwise expressly provided in our amended and restated certificate of incorporation or as required by applicable law, on any matter that is submitted to a vote by our stockholders, holders of our common stock are entitled to one vote per share of common stock, and holders of our Class B common stock are not entitled to any votes per share of Class B common stock, including for the election of directors and (ii) holders of our common stock have no conversion rights, while holders of our Class B common stock shall have the right to convert each share of our Class B common stock into one share of common stock at such holder's election, provided that as a result of such conversion, such holder would not beneficially own in excess of 4.99% of any class of our securities registered under the Exchange Act, unless otherwise as expressly provided for in our amended and restated certificate of incorporation. However, this ownership limitation may be increased or decreased to any other percentage designated by such holder of Class B common stock upon 61 days' notice to us.

Our common stock and Class B common stock have no preemptive rights or other subscription rights or redemption or sinking fund provisions. Upon our liquidation, dissolution or winding-up, holders of our common stock and Class B common stock are entitled to share ratably in all assets remaining after payment of all liabilities and the liquidation preferences of any of our outstanding shares of preferred stock. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of our common stock and Class B common stock are entitled to receive dividends only if declared from time to time by our board of directors out of assets which are legally available.

Preferred stock

Under our amended and restated certificate of incorporation, our board of directors has the authority, without further action by the stockholders, to issue up to 200,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of the common stock

Warrants

2024 Warrants

On December 20, 2024, in connection with a registered direct offering, we issued warrants (the "2024 Warrants") which may be exercised to acquire our common stock. As of June 30, 2026, the outstanding 2024 Warrants represent the rights to purchase up to an aggregate of 193,581 shares of common stock at an initial exercise price of $4.35 per share. The 2024 Warrants became exercisable on June 20, 2025 and will expire on June 20, 2025.

Each 2024 Warrant has an exercise price per share equal to $4.35. The exercise price is subject to adjustment in the event of stock dividends, stock splits, rights offerings or other distributions to holders of common stock, reorganizations or similar events affecting our common stock and the exercise price. In the event of a reverse stock split, the number of shares of common stock issuable upon the exercise of our outstanding Warrants and the exercise price of the 2024 Warrants will increase in proportion to the reverse stock split ratio. Furthermore, if the lowest volume weighted average price ("VWAP") of the common stock during the eleven (11) trading days (the "Adjustment Period") commencing five (5) trading days immediately preceding the reverse stock split and ending five (5) trading days immediately following the reverse stock split is less than the Warrant's adjusted exercise price, then the exercise price of the 2024 Warrant will be reduced to match that lowest VWAP, as adjusted for the reverse stock split. This adjustment is applied retroactively to the first trading day of the Adjustment Period.

A holder (together with its affiliates) may not exercise any portion of such holder's 2024 Warrant to the extent that the holder would own more than 9.99% of the outstanding shares of common stock immediately after exercise, as such percentage ownership is determined in accordance with the terms of the Warrants. If, at the time a holder exercises its 2024 Warrants, a registration statement registering the issuance of the shares of common stock underlying the 2024 Warrants under the Securities Act is not then effective or available, then in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of shares of common stock determined according to a formula set forth in the 2024 Warrants.

In the event of any fundamental transaction, as described in the 2024 Warrants and generally including any merger with or into another entity, sale of all or substantially all of our assets, tender offer or exchange offer, or reclassification of our shares of common stock, then upon any subsequent exercise of a 2024 Warrant, the holder will have the right to receive as alternative consideration, for each share of common stock that would have been issuable upon such exercise immediately prior to the occurrence of such fundamental transaction, the number of shares of common stock of the successor or acquiring corporation of our company, if it is the surviving corporation, and any additional consideration receivable upon or as a result of such transaction by a holder of the number of shares of common stock for which the 2024 Warrant is exercisable immediately prior to such event.

Notwithstanding the foregoing, in the event of a fundamental transaction, the holders of the 2024 Warrants have the right to require us or a successor entity to redeem the Warrants for cash in the amount of the Black-Scholes Value (as defined in each Warrant) of the unexercised portion of the Warrants concurrently with or within 30 days following the consummation of a fundamental transaction. However, in the event of a fundamental transaction which is not in our control, including a fundamental transaction not approved by our board of directors, the holders of the 2024 Warrants will only be entitled to receive from us or our successor entity, as of the date of consummation of such fundamental transaction the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of the 2024 Warrant that is being offered and paid to the holders of our common stock in connection with the fundamental transaction, whether that consideration is in the form of cash, stock or any combination of cash and stock, or whether the holders of our common stock are given the choice to receive alternative forms of consideration in connection with the fundamental transaction.

There is no trading market available for the 2024 Warrants on any securities exchange or nationally recognized trading system. We do not plan on applying to list or quote the 2024 Warrants on the OTCQB, any national securities exchange or any other nationally recognized trading system.

Under the securities purchase agreement entered into in connection with the December 2024 registered direct offering, we have agreed to use our best efforts to maintain the effectiveness of a registration statement covering the resale of the shares issuable upon exercise of the Warrants for as long as the holder continues to hold the Warrants or until the Warrants have expired.

Commitment Fee Warrants

Pursuant to the SEPA, we may elect to pay all or a portion of the Commitment Fee by issuing to Yorkville the Commitment Fee Warrants. On October 16, 2026, we issued Commitment Fee Warrants to Yorkville exercisable for up to 182,110 Commitment Shares in payment of the first installment of the Commitment Fee. The number of shares of common stock issuable upon exercise of each Commitment Fee Warrant is determined in accordance with the SEPA, and is subject to adjustment as described below. The Commitment Fee Warrants were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

The Commitment Fee Warrants are exercisable at any time on or after their date of issuance, in whole or in part, and do not expire. The Commitment Fee Warrants have an exercise price of $0.0001 per share, subject to adjustment as described below. A holder may exercise a Commitment Fee Warrant by delivering an exercise notice to us and, within one business day thereafter, paying the aggregate exercise price in cash, unless the holder elects a cashless exercise. In lieu of a cash payment, a holder may elect at any time to exercise a Commitment Fee Warrant on a cashless basis and receive a net number of shares determined according to a formula set forth in the Commitment Fee Warrants. No fractional shares will be issued upon exercise of the Commitment Fee Warrants; instead, the number of shares to be issued will be rounded down to the nearest whole share.

We are required to deliver the shares issuable upon exercise within one trading day after receipt of the exercise notice. If we fail to timely deliver such shares, we may be required to pay the holder liquidated damages and, if the holder is required to purchase shares in the open market to satisfy a sale (a "buy-in"), to compensate the holder for the amount by which its purchase price exceeds the proceeds of the sale giving rise to the buy-in.

A holder (together with its affiliates and certain related parties) may not exercise any portion of a Commitment Fee Warrant to the extent that the holder would beneficially own more than 4.99% of the outstanding shares of our common stock immediately after giving effect to such exercise, as such percentage ownership is determined in accordance with the terms of the Commitment Fee Warrants.

The exercise price and the number of shares issuable upon exercise of the Commitment Fee Warrants are subject to proportionate adjustment in the event of stock dividends, stock splits, reverse stock splits or similar events affecting our common stock. In addition, holders of the Commitment Fee Warrants are entitled to participate in any pro rata distributions of assets and any pro rata grants of purchase rights to holders of our common stock as if they had fully exercised the Commitment Fee Warrants, subject to the beneficial ownership limitation described above. We may also, with the holder's consent, voluntarily reduce the exercise price.

In the event of a fundamental transaction, as described in the Commitment Fee Warrants and generally including any merger or consolidation, sale of all or substantially all of our assets, completed tender or exchange offer accepted by holders of 50% or more of our common stock, reclassification of our common stock, or acquisition by a person or group of more than 50% of our common stock or voting power, then upon any subsequent exercise of a Commitment Fee Warrant, the holder will have the right to receive, for each share that would have been issuable upon such exercise immediately prior to the fundamental transaction, the same kind and amount of securities, cash or other property that a holder of one share of our common stock would have received in such transaction. Any successor entity will be required to assume our obligations under the Commitment Fee Warrants.

Subject to applicable securities laws, the Commitment Fee Warrants may be transferred without our consent. Except as otherwise provided in the Commitment Fee Warrants, a holder of a Commitment Fee Warrant does not have the rights or privileges of a holder of our common stock, including any voting rights or the right to receive dividends, until the holder exercises the Commitment Fee Warrant. There is no established trading market for the Commitment Fee Warrants, and we do not intend to apply to list or quote the Commitment Fee Warrants on the OTCQB, any national securities exchange or any other nationally recognized trading system.

Anti-takeover effects of provisions of our certificate of incorporation, our bylaws and Delaware law

Certain provisions of Delaware law and certain provisions included in our amended and restated certificate of incorporation and amended and restated bylaws, summarized below, may be deemed to have an anti-takeover effect and may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock.

Delaware anti-takeover law

We are subject to Section 203 of the Delaware General Corporation Law, or Section 203. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding upon consummation of the transaction, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the consummation of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Preferred stock

Our amended and restated certificate of incorporation contains provisions that permit our board of directors to issue, without any further vote or action by the stockholders, shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting rights (if any) of the shares of the series and the powers, preferences or relative, participation, optional and other special rights, if any, and any qualifications, limitations or restrictions, of the shares of such series.

Classified board

Our amended and restated certificate of incorporation provides that our board of directors is divided into three classes, designated Class I, Class II and Class III. Each class will be an equal number of directors, as nearly as possible, consisting of one third of the total number of directors constituting the entire board of directors.

Removal of directors

Our amended and restated certificate of incorporation provides that stockholders may only remove a director for cause by a vote of at least 66 2/3% of the voting power of all of our then outstanding common stock and that the authorized number of directors may be changed only by resolution adopted by a majority of the board of directors.

Director vacancies

Our amended and restated certificate of incorporation provides that all vacancies, including newly created directorships, may, except as otherwise required by law or subject to the rights of holders of preferred stock as designated from time to time, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

Special meetings of stockholders

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that, except as otherwise required by law, special meetings of our stockholders may be called only by the chairman of the board, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exists any vacancies).

Advance notice procedures for director nominations

Our amended and restated certificate of incorporation and amended and restated bylaws provide that stockholders seeking to nominate candidates for election as directors at an annual or special meeting of stockholders must provide timely notice thereof in writing and also specify requirements as to the form and content of a stockholder's notice.

Action by written consent

Our amended and restated certificate of incorporation and amended and restated bylaws require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent.

Cumulative voting

Our amended and restated certificate of incorporation provides for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose).

Amending our certificate of incorporation and bylaws

The amendment of any of the provisions in our amended and restated certificate of incorporation, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require the affirmative vote of the holders of at least 66 2/3% of the voting power of all of our then outstanding common stock. Additionally, our amended and restated certificate of incorporation provides that our bylaws may be amended, altered or repealed by the board of directors.

Exclusive forum provision

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for the following types of proceedings: (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim arising pursuant to any provision of our amended and restated certificate of incorporation or amended and restated bylaws (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. Our amended and restated bylaws further provide that the federal district courts of the United States of America will be the exclusive forum to the fullest extent permitted by law, for resolving any complaint asserting a cause of action arising under the Securities Act. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation and amended and restated bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation and amended and restated bylaws described above.

OTCQB

Our common stock is quoted on the OTCQB under the symbol "BCAB."

Transfer agent and registrar

The transfer agent and registrar for our common stock and Class B common stock is Pacific Stock Transfer Company. The transfer agent and registrar's address is 6725 Via Austi Pkwy, Suite 300, Las Vegas, NV 89119.

DETERMINATION OF OFFERING PRICE

We cannot determine in advance the price or prices at which the shares of Common Stock may be sold by the Selling Stockholder under this prospectus.

SELLING STOCKHOLDER

This prospectus covers the resale by the Selling Stockholder of up to 8,182,110 shares of Common Stock that may be issued by us to the Selling Stockholder under SEPA. The shares of common stock being offered by the Selling Stockholder are those issuable to the Selling Stockholder pursuant to the SEPA and upon exercise of the Commitment Fee Warrants. We are registering the shares of common stock in order to permit the Selling Stockholder to offer the shares for resale from time to time. Except for the transactions contemplated by the SEPA, and as set forth in the section in this prospectus titled "Plan of Distribution," the Selling Stockholder has not had any material relationship with us within the past three years.

The table below presents information regarding the Selling Stockholder and the shares of common stock that may be resold by the Selling Stockholder from time to time under this prospectus. This table is prepared based on information supplied to us by the Selling Stockholder and reflects holdings as of October 16, 2026. The number of shares in the column "*Maximum Number of Shares of Common Stock to be Offered*" represents all of the shares of Common Stock being offered for resale by the Selling Stockholder under this prospectus. The Selling Stockholder may sell some, all or none of the shares being offered for resale in this offering. We do not know how long the Selling Stockholder will hold the shares before selling them, and we are not aware of any existing arrangements between the Selling Stockholder and any other stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the shares of our common stock being offered for resale by this prospectus.

Beneficial ownership is determined in accordance with Rule 13d-3(d) promulgated by the SEC under the Exchange Act, and includes shares of common stock with respect to which the Selling Stockholder has sole or shared voting and investment power. The percentage of shares of common stock beneficially owned by the Selling Stockholder prior to the offering shown in the table below is based on an aggregate of 1,668,261 shares of our common stock outstanding on October 16, 2026. Because the purchase price to be paid by the Selling Stockholder for shares of common stock, if any, that we may elect to sell to the Selling Stockholder in one or more advances from time to time under the SEPA will fluctuate based on the market prices of our common stock, the actual number of shares of common stock that we may sell to the Selling Stockholder under the SEPA may be fewer than the number of shares being offered for resale under this prospectus. The fourth column assumes the resale by the Selling Stockholder of all of the shares of common stock being offered for resale pursuant to this prospectus.

Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the Selling Stockholder has sole voting and investment power with respect to all shares of common stock that it beneficially owns. Based on information furnished to us by the Selling Stockholder, the Selling Stockholder is not a registered broker-dealer but is affiliated with Yorkville Ives & Co., LLC, a registered broker-dealer and member of the Financial Industry Regulatory Authority ("Yorkville Ives"). Yorkville Ives did not participate in the negotiation or placement of the securities under the SEPA, received no fees or other compensation in connection with that transaction, and will not participate in the resale of the securities offered by this prospectus.

	Number of Shares of Common Stock Beneficially Owned Prior to Offering		Maximum Number of Shares of Common Stock to be Offered Pursuant to this	Number of Shares of Common Stock Beneficially Owned After Offering[3]	
Name of Selling Stockholder	Number[1]	Percent[2]	Prospectus	Number	Percent
YA II PN, Ltd.[4]	87,618	4.99%	8,182,110	—	—

(1) The shares of our Common Stock beneficially owned by the Selling Stockholder prior to this offering represent 87,618 shares of Common Stock that may be acquired by the Selling Stockholder pursuant to the Commitment Fee Warrants issued to the Selling Shareholder exercisable for up to 182,110 shares of Common Stock in payment of the first installment of the Commitment Fee. The Selling Stockholder (together with its affiliates and certain related parties) may not exercise any portion of a Commitment Fee Warrants to the extent that the Selling Stockholder would beneficially own more than 4.99% of the outstanding shares of our common stock immediately after giving effect to such exercise. In accordance with Rule 13d-3(d) under the Exchange Act, we have excluded from the number of shares beneficially owned prior to the offering all of the Advance Shares that Yorkville may be required to purchase under the SEPA, because the issuance of such shares is solely at our discretion and is subject to conditions contained in the SEPA, the satisfaction of which is entirely outside of Yorkville's control, including the registration statement that includes this prospectus becoming and remaining effective. In addition, the SEPA prohibits us from selling Advance Shares to the extent such sale would cause Yorkville's beneficial ownership to exceed the Ownership Limitation.

(2) Applicable percentage ownership is based on 1,668,261 shares of our common stock outstanding as of October 16, 2026.

(3) Assumes the sale of all shares of our common stock being offered for resale pursuant to this prospectus.

(4) YA II PN, Ltd. is a Cayman Islands exempt limited company. All investment decisions for YA II PN, Ltd. are made by Mr. Mark Angelo. The business address of YA II PN, Ltd. is 1012 Springfield Avenue, Mountainside, NJ 07092.

PLAN OF DISTRIBUTION

The shares of common stock offered by this prospectus are being offered by the Selling Stockholder. The Selling Stockholder will act independently of us in making decisions with respect to the timing, manner and size of each sale. The shares may be sold or distributed from time to time by the Selling Stockholder directly to one or more purchasers or through brokers, dealers or underwriters who may act solely as agents, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices or at fixed prices, which may be changed. The sale of the shares offered by this prospectus could be effected in one or more of the following methods:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- underwritten transactions;
- block trades (which may involve a cross trade) in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- privately negotiated transactions;
- in transactions through broker-dealers that agree with the Selling Stockholder to sell a specified number of such securities at a stipulated price per security;
- through the distribution of shares by any Selling Stockholder to its partners, members or stockholders;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

We will not receive any of the proceeds from the sale of the shares by the Selling Stockholder. The Selling Stockholder may sell the securities at prices then prevailing, related to the then prevailing market price or at negotiated prices. The offering price of the securities from time to time will be determined by the Selling Stockholder and, at the time of the determination, may be higher or lower than the market price of our securities on OTCQB or any other market on which our common stock is then quoted or listed.

In order to comply with the securities laws of certain states, if applicable, the shares of Common Stock may be sold only through registered or licensed brokers or dealers. In addition, in certain states, the shares of Common Stock may not be sold unless they have been registered or qualified for sale in the state or an exemption from the state's registration or qualification requirement is available and complied with.

The Selling Stockholder is an "underwriter" within the meaning of Section 2(a)(11) of the Securities Act. Brokers, dealers, underwriters, or agents participating in the distribution of the shares of our common stock offered by this prospectus may receive compensation in the form of commissions, discounts, or concessions from the purchasers, for whom the broker-dealers may act as agent, of the shares of common stock sold by the Selling Stockholder through this prospectus. The compensation paid to any such particular broker-dealer by any such purchasers of shares of our common stock sold by the Selling Stockholder may be less than or in excess of customary commissions. Neither we nor the Selling Stockholder can presently estimate the amount of compensation that any agent will receive from any purchasers of shares of our common stock sold by the Selling Stockholder.

Except for the transactions contemplated by the SEPA and the Pre-Paid Advance Agreement (the "PPA") and Standby Equity Purchase Agreement (the "2025 SEPA") that we entered into with Yorkville on November 20, 2025, the Selling Stockholder has not had any material relationship with us within the past three years. As of March 2026, the entire balance of the PPA had been converted into shares of common stock and no amounts remain outstanding under the PPA. As of June 30, 2026, 48,092 shares had been sold under the 2025 SEPA, with gross proceeds to the Company totaling approximately $0.4 million. On October 15, 2026, we and Yorkville terminated the 2025 SEPA in accordance with the termination provisions thereof.

We know of no existing arrangements between the Selling Stockholder and any other stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the shares offered by this prospectus.

We may from time to time file with the SEC one or more supplements to this prospectus or amendments to the registration statement of which this prospectus forms a part to disclose, if and when required under the Securities Act, information relating to a particular sale of shares by the Selling Stockholder, including the names of any brokers, dealers, underwriters or agents participating in the distribution of such shares of common stock by the Selling Stockholder, any compensation paid by the Selling Stockholder to any such brokers, dealers, underwriters or agents, and any other required information required to be disclosed under the Securities Act.

We will pay the expenses incident to the registration under the Securities Act of the offer and sale of the shares of our common stock covered by this prospectus by the Selling Stockholder.

As consideration for Yorkville's commitment to purchase common stock at our direction pursuant to the SEPA, we agreed to pay Yorkville a $500,000 Commitment Fee, payable, at our election, in cash or in the form of Commitment Fee Warrants, as described under "*The Standby Equity Purchase Agreement—Commitment Fee*."

We have agreed to indemnify the Selling Stockholder and certain related persons against certain liabilities in connection with the offering of the shares offered hereby, including liabilities arising under the Securities Act, and the Selling Stockholder has agreed to indemnify us against certain liabilities under the Securities Act that may arise from written information furnished to us by the Selling Stockholder specifically for use in this prospectus.

The Selling Stockholder has represented to us that, during the period commencing September 17, 2026 and ending immediately prior to its execution of the SEPA, neither it nor any person acting on its behalf engaged in any transactions in our securities, including any short sales.

The Selling Stockholder is subject to the applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M. With certain exceptions, Regulation M precludes the Selling Stockholder, any affiliated purchasers, and any broker-dealer or other person who participates in the distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase, any security that is the subject of the distribution until the entire distribution is complete. Regulation M also prohibits any bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of the foregoing may affect the marketability of the securities offered by this prospectus.

This offering will terminate on the date that all shares of our common stock offered by this prospectus have been sold by the Selling Stockholder.

LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon for the Company by Orrick, Herrington & Sutcliffe LLP.

EXPERTS

The consolidated financial statements of BioAtla, Inc. as of December 31, 2025 and 2024, and for each of the years in the two-year period ended December 31, 2025, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about the Company's ability to continue as a going concern as described in Note 1 to the consolidated financial statements) appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

You may access our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statement, and other information, if any, we file with or furnish to the SEC free of charge at the SEC's website (www.sec.gov) or our website (www.bioatla.com) as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

You may also request a copy of our SEC filings at no cost, by telephoning or writing us at the following telephone number or address:

BioAtla, Inc.
11085 Torreyana Road
San Diego, California 92121
(858) 558-0708

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BioAtla, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par value and share amounts)

	June 30, 2026 (unaudited)	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 1,544	$ 7,118
Accounts receivable	2,000	—
Prepaid expenses and other current assets	714	895
Total current assets	4,258	8,013
Property and equipment, net	—	120
Operating lease right-of-use asset, net	5,085	5,532
Other assets	163	163
Total assets	$ 9,506	$ 13,828
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses (includes related party amounts of $300 and $0, respectively)	$ 19,451	$ 16,353
Operating lease liabilities	1,570	1,427
PPAs liability	—	4,142
Total current liabilities	21,021	21,922
Operating lease liabilities, less current portion	4,293	4,773
Liability to licensor	19,806	19,806
Warrant liability	622	3,516
Total liabilities	45,742	50,017
Commitments and contingencies (Note 6)		
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 200,000,000 shares authorized at June 30, 2026 and December 31, 2025; 0 shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Common stock, $0.0001 par value; 350,000,000 shares authorized at June 30, 2026 and December 31, 2025; 1,663,280 and 1,269,286 shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Class B common stock, $0.0001 par value; 15,368,569 shares authorized at June 30, 2026 and December 31, 2025; 0 shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Additional paid-in capital	515,302	509,457
Accumulated deficit	(551,538)	(545,646)
Total stockholders' equity (deficit)	(36,236)	(36,189)
Total liabilities and stockholders' equity (deficit)	$ 9,506	$ 13,828

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Collaboration and other revenue	$ 6,500	$ —	$ 6,500	$ —
Operating expenses:				
Research and development expense (includes related party amounts of $975 for the three and six months ended June 30, 2026 and $0 for the three and six months ended June 30, 2025)	$ 3,342	$ 13,684	$ 7,924	$ 26,039
General and administrative expense	2,931	4,963	7,657	10,222
Total operating expenses	6,273	18,647	15,581	36,261
Income (loss) from operations	227	(18,647)	(9,081)	(36,261)
Other income (expense):				
Interest income	16	233	53	633
Gain (loss) on warrant liability	220	(297)	2,894	1,583
Gain on PPAs liability	—	—	273	—
Other expense	(11)	—	(31)	—
Total other income (expense)	225	(64)	3,189	2,216
Consolidated net income (loss) and comprehensive income (loss)	$ 452	$ (18,711)	$ (5,892)	$ (34,045)
Net income (loss) per common share, basic	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)
Net income (loss) per common share, diluted	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)
Weighted-average shares of common stock outstanding, basic	1,660,586	1,170,087	1,581,554	1,167,550
Weighted-average shares of common stock outstanding, diluted	1,661,709	1,170,087	1,581,554	1,167,550

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share amounts)

	Three Months Ended June 30, 2026				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at March 31, 2026	1,659,612	$ —	$ 514,681	$ (551,990)	$ (37,309)
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	2,868	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	800	—	3	—	3
Taxes related to net share settlement of equity awards	—	—	(1)	—	(1)
Stock-based compensation expense	—	—	619	—	619
Net income	—	—	—	452	452
Balance at June 30, 2026	1,663,280	$ —	$ 515,302	$ (551,538)	$ (36,236)

	Three Months Ended June 30, 2025				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at March 31, 2025	1,168,022	$ —	$ 501,920	$ (501,373)	$ 547
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	3,700	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	2,709	—	47	—	47
Taxes related to net share settlement of equity awards	—	—	(5)	—	(5)
Stock-based compensation expense	—	—	1,377	—	1,377
Net loss	—	—	—	(18,711)	(18,711)
Balance at June 30, 2025	1,174,431	$ —	$ 503,339	$ (520,084)	$ (16,745)

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share amounts)

	Six Months Ended June 30, 2026				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at December 31, 2025	1,269,286	$ —	$ 509,457	$ (545,646)	$ (36,189)
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	10,958	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	800	—	3	—	3
Issuance of common stock under PPAs	334,144	—	3,869	—	3,869
Issuance of common stock under SEPA	48,092	—	413	—	413
Taxes related to net share settlement of equity awards	—	—	(15)	—	(15)
Stock-based compensation expense	—	—	1,575	—	1,575
Net loss	—	—	—	(5,892)	(5,892)
Balance at June 30, 2026	1,663,280	$ —	$ 515,302	$ (551,538)	$ (36,236)

	Six Months Ended June 30, 2025				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at December 31, 2024	1,161,983	$ —	$ 500,304	$ (486,039)	$ 14,265
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	9,739	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	2,709	—	47	—	47
Taxes related to net share settlement of equity awards	—	—	(34)	—	(34)
Stock-based compensation expense	—	—	3,022	—	3,022
Net loss	—	—	—	(34,045)	(34,045)
Balance at June 30, 2025	1,174,431	$ —	$ 503,339	$ (520,084)	$ (16,745)

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities		
Net loss	$ (5,892)	$ (34,045)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	120	298
Change in fair value of warrant liability	(2,894)	(1,583)
Change in fair value of PPAs	(273)	—
Stock-based compensation	1,575	3,022
Changes in operating assets and liabilities:		
Accounts receivable	(2,000)	—
Prepaid expenses and other assets	181	(383)
Accounts payable and accrued expenses	3,087	2,535
Accounts payable and accrued expenses - related parties	300	—
Right-of-use assets and lease liabilities, net	110	(252)
Net cash used in operating activities	(5,686)	(30,408)
Cash flows from financing activities		
Proceeds from issuance of common stock under SEPA	413	—
Payment of financing costs related to issuance of common stock, PPAs and SEPA	(289)	(444)
Proceeds from issuance of common stock under Employee Stock Purchase Plan	3	47
Payments for taxes related to net settlement of equity awards	(15)	(34)
Net cash provided by (used in) financing activities	112	(431)
Net decrease in cash and cash equivalents	(5,574)	(30,839)
Cash and cash equivalents, beginning of period	7,118	49,046
Cash and cash equivalents, end of period	$ 1,544	$ 18,207
Supplemental disclosure of non-cash investing and financing activities		
Fair value of common stock issued in satisfaction of PPAs liability	$ 3,869	$ —
Increase in right-of-use assets and operating lease liabilities resulting from contract modification	$ —	$ 5,999

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

Organization

BioAtla, LLC was formed in Delaware in March 2007 and was converted to a Delaware corporation in July 2020 and renamed BioAtla, Inc. (the "Company"). BioAtla, Inc. is a single legal entity with one consolidated variable interest entity ("VIE"), BA 3021 SPV LLC (see Note 10). The Company has a proprietary platform for creating biologics, including its conditionally active biologics ("CAB" or "CABs"). CABs have been designed to be active only under certain conditions found in diseased tissue, while remaining inactive in normal tissue. The Company has developed several CAB drug candidates through Phase 2 clinical trials including: two CAB antibody drug conjugates ("CAB ADC"), mecbotamab vedotin (BA3011), a CAB ADC targeting AXL, and ozuriftamab vedotin (BA3021), a CAB ADC targeting ROR2; and evalstotug (BA3071), a CAB anti-CTLA-4 antibody. The Company has an ongoing Phase 1 trial for BA3182 (CAB-EpCAM x CAB-CD3), a CAB bispecific antibody targeting EpCAM.

Merger and Related Share Consolidation

On March 23, 2026, the Company's stockholders approved the Agreement and Plan of Merger, as amended from time to time, including pursuant to Amendment No. 1 to Agreement and Plan of Merger, pursuant to which (i) a wholly owned subsidiary (the "Merger Sub") of the Company would merge with and into the Company, with the Company surviving (the "Merger"), and (ii) every fifty (50) shares of common stock of the Company issued and outstanding, or held as treasury stock, would be converted into one (1) share of common stock of the surviving corporation, which would be the Company (the "Share Consolidation"). The effective date of the Merger and the related Share Consolidation was April 6, 2026. The Share Consolidation did not change the par value or the number of authorized shares of the Company's common stock. The Company's condensed consolidated financial statements and notes to the condensed consolidated financial statements present the retroactive effect of the Share Consolidation on the Company's common stock share and per share data, and exercise price data for applicable common stock equivalents, for all periods presented prior to the effective date of the Share Consolidation.

Basis of Presentation

The unaudited condensed consolidated financial statements as of June 30, 2026, and for the three and six months ended June 30, 2026 and 2025, have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"), and with accounting principles generally accepted in the United States ("GAAP") applicable to interim financial statements. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of only normal recurring accruals, which in the opinion of management are necessary to present fairly the Company's financial position as of the interim date and results of operations for the interim periods presented. Interim results are not necessarily indicative of results for a full year or future periods. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025, included in its Annual Report on Form 10-K filed with the SEC on March 31, 2026, as amended by Amendment No. 1 to the Annual Report on Form 10-K/A filed with the SEC on April 29, 2026.

Liquidity and Going Concern

The Company has incurred cumulative operating losses and negative cash flows from operations since its inception and expects to continue to incur significant expenses and operating losses for the foreseeable future as it continues development of its product candidate BA3182. As of June 30, 2026, the Company had an accumulated deficit of $551.5 million.

In November 2025, the Company entered into the Standby Equity Purchase Agreement (the "SEPA") with YA II PN, Ltd. ("Yorkville") pursuant to which the Company has the right to sell to Yorkville up to $15.0 million of shares of common stock (the "Commitment Amount"), subject to certain limitations and conditions set forth in the SEPA, during the 36 months beginning November 20, 2025 (such shares, the "SEPA Shares"). As of June 30, 2026, 48,092

SEPA Shares had been sold under the SEPA, with gross proceeds to the Company totaling approximately $0.4 million. Additional sales of the SEPA Shares to Yorkville and the timing of any such sales, if elected to be utilized by the Company at a future date, are at the Company's option.

On March 2, 2026, the Company announced a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. The Company plans to continue to fund its losses from operations and capital funding needs through proceeds received through the SEPA, this strategic process, other public or private equity or debt financings, or other sources. In connection with the evaluation of strategic options, the Company also implemented a reduction in force and other cost-containment measures intended to better align resources with its near-term priorities. In order to continue to preserve capital during this period, the Company is re-evaluating the timing and scope of its clinical development programs. As part of this process, the Company paused further enrollment in its ongoing Phase 1 study of BA3182 (CAB-EpCAM x CAB-CD3), while continuing treatment and follow-up of patients, including obtaining new scans in the study.

If the Company is not able to secure adequate additional funding, the Company may be forced to make further reductions in spending, extend payment terms with suppliers, liquidate assets where possible, suspend or curtail planned programs or wind down the Company. Any of these actions could materially harm the Company's business, results of operations and future prospects.

Management is required to perform a two-step analysis of the Company's ability to continue as a going concern. Management must first evaluate whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern (Step 1). If management concludes that substantial doubt is raised, management is also required to consider whether its plans alleviate that doubt (Step 2). Management's assessment concluded that there is substantial doubt about the Company's ability to continue as a going concern for a period of at least one year from the issuance date of these condensed consolidated financial statements.

The Company has prepared its condensed consolidated financial statements on a going concern basis, which assumes that the Company will realize its assets and satisfy its liabilities in the normal course of business. The accompanying condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of the uncertainty concerning the Company's ability to continue as a going concern.

Variable Interest Entities

The Company consolidates entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a VIE. VIEs are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently, (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity and (iii) the legal entity is structured with substantive voting rights. A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. The Company has a controlling financial interest in a VIE when the Company has a variable interest or interests that provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether or not it has a controlling financial interest.

Use of Estimates

The preparation of the Company's condensed consolidated financial statements requires it to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the Company's condensed consolidated financial statements and accompanying notes. The most significant estimates in the Company's condensed consolidated financial statements relate to accruals for research and development costs, equity-based compensation, and fair value measurements related to the Warrant Liability (as defined in Note 4). These estimates and assumptions are based on current facts, historical experience and

various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue and expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less at the date of purchase to be cash equivalents. Cash equivalents consist of highly rated securities including U.S. Government and U.S. Treasury money market funds, which are unrestricted as to withdrawal or use.

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits and may invest cash that is not required for immediate operating needs in highly liquid instruments that bear minimal risk. The Company has not experienced any losses in such accounts and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Stock-Based Compensation

Stock-based compensation expense represents the grant date fair value of equity awards, consisting of stock options, restricted stock units ("RSUs") and employee stock purchase plan rights, over the requisite service period of the awards (usually the vesting period) on a straight-line basis. The Company estimates the fair value of stock option grants and employee stock purchase plan rights using the Black-Scholes option pricing model. The fair value of RSUs is based on the closing sales price of the Company's common stock on the date of grant. Equity award forfeitures are recognized as they occur.

Leases

The Company determines if an arrangement is a lease at inception. An arrangement is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If a lease is identified, classification is determined at lease commencement. Operating lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The Company's leases do not provide an implicit interest rate and therefore the Company estimates its incremental borrowing rate to discount lease payments. The incremental borrowing rate reflects the interest rate that the Company would have to pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment over a similar term. Operating lease right-of-use ("ROU") assets are based on the corresponding lease liability adjusted for any lease payments made at or before commencement, initial direct costs, and lease incentives. Renewals or early terminations are not accounted for unless the Company is reasonably certain to exercise these options. Operating lease expense is recognized and the ROU asset is amortized on a straight-line basis over the lease term. Variable lease costs are recognized as incurred and are not included in the calculation of the ROU asset or the related lease liability.

The Company has a single lease agreement with lease and non-lease components, which are accounted for as a single lease component. Payments for short-term leases, defined as leases with a term of twelve months or less, are expensed on a straight-line basis over the lease term. The Company does not currently have any short-term leases.

Operating leases are included in operating lease right-of-use assets, operating lease liabilities, and operating lease liabilities, non-current on the Company's condensed consolidated balance sheets. The Company does not have any finance leases.

Fair Value Option

Under the ASC 825, Financial Instruments ("ASC 825"), the Company has the irrevocable option to report certain financial assets and financial liabilities at fair value on an instrument-by-instrument basis. Under the Pre-Paid Advance Agreements (the "PPAs") entered into in November 2025, pre-paid advances having an aggregate principal

amount of $7.5 million (the "Pre-Paid Advance") were issued to the Company. The Company elected the fair value option to account for the Pre-Paid Advance (See Note 4 and Note 7). The fair value option was elected as management believes fair value measurement better aligns with the instrument's economic risks and expected settlement outcomes. This election also eliminates the need to bifurcate the embedded conversion features and account for them separately as derivative instruments.

The Pre-Paid Advance was initially recorded at fair value at issuance, which was determined to be equal to the transaction price of $7.15 million. Issuance costs incurred in connection with the Pre-Paid Advance were expensed as incurred, consistent with the requirements applicable to instruments measured at fair value under ASC 825. Subsequent to initial recognition, the Company remeasured the Pre-Paid Advance to fair value at each reporting date, with changes in fair value recognized in earnings within the gain on PPAs liability on the condensed consolidated statements of operations and comprehensive income (loss). The change in fair value related to accrued interest is presented with the total change in fair value of the Pre-Paid Advance as a single line within the gain on PPAs liability on the condensed consolidated statements of operations and comprehensive income (loss).

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as a change in equity during a period from transactions and other events and circumstances from non-owner sources, and consists of net income (loss) and other comprehensive gain (loss). There have been no items qualifying as other comprehensive income (loss) and, therefore, for all periods presented, the Company's comprehensive income (loss) was the same as its reported net income (loss).

Net Income (Loss) Per Share

Basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities. Diluted net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of common shares and dilutive common stock equivalents outstanding for the period determined using the treasury-stock method. Dilutive common stock equivalents are comprised of common stock warrants, RSUs, common stock options outstanding under the Company's stock option plan, and contingently issuable shares under the BioAtla, Inc. Employee Stock Purchase Plan (the "ESPP").

The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Consolidated net income (loss)	$ 452	$ (18,711)	$ (5,892)	$ (34,045)
Denominator:				
Denominator for basic net income (loss) per share - weighted-average common stock outstanding	1,660,586	1,170,087	1,581,554	1,167,550
Effect of dilutive securities:				
RSUs	1,123	—	—	—
Denominator for diluted net income (loss) per share - adjusted weighted-average common stock outstanding	1,661,709	1,170,087	1,581,554	1,167,550
Basic net income (loss) per share	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)
Diluted net income (loss) per share	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)

Potentially dilutive securities not included in the calculation of diluted net income (loss) per common share because to do so would be anti-dilutive are as follows (in common stock equivalents):

	As of June 30,	
	2026	2025
Common stock warrants	193,581	193,581
Common stock options	114,059	118,249
Restricted stock units	57,404	52,130
ESPP shares	380	1,374
Total	365,424	365,334

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, Accounting Standards Updates ("ASU") not included in the Company's disclosures were assessed and determined to be either not applicable or are not expected to have a material impact on the Company's financial statements or disclosures.

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which requires public entities, at annual and interim reporting periods, to disclose in a tabular format additional information about specific expense categories in the notes to the consolidated financial statements. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11, "Interim Reporting (Topic 270): Narrow Scope Improvements". This update will improve the navigability of required interim disclosures and clarify when that guidance is applicable, and will require entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company will adopt the standard for the interim periods within the year ending December 31, 2028. The Company is currently evaluating the impact of the adoption on its consolidated financial statements and related disclosures.

2. Balance Sheet Details

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

	June 30, 2026	December 31, 2025
Prepaid research and development	$ 501	$ 663
Prepaid insurance	111	28
Other prepaid expenses and current assets	102	204
Total	$ 714	$ 895

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

	Useful life (years)	June 30, 2026	December 31, 2025
Furniture, fixtures and office equipment	3 - 7	$ 1,101	$ 1,101
Laboratory equipment	5	1,829	1,829
Leasehold improvements	2 - 3	2,498	2,498
		5,428	5,428
Less accumulated depreciation and amortization		(5,428)	(5,308)
Total		$ —	$ 120

Accounts payable and accrued expenses consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Accounts payable	$ 12,705	$ 8,194
Accrued research and development (includes related party amounts of $300 and $0, respectively)	6,362	7,280
Other accrued expenses	384	879
Total	$ 19,451	$ 16,353

3. Restructuring

In March 2026, the Company announced that it has initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions.

In connection with the evaluation of strategic alternatives, the Company implemented a restructuring plan that included a workforce reduction of approximately 70%. The Company recorded restructuring costs of $0 and $0.5 million during the three and six months ended June 30, 2026, of which $0.4 million is included in research and development expense and $0.1 million is included in general and administrative expense for the six months ended June 30, 2026 in the condensed consolidated statements of operations and comprehensive income (loss). Restructuring costs primarily consisted of employee severance, continuing healthcare benefits and other employee-related costs. The Company made cash payments of $0.5 million during the first quarter of 2026 and made immaterial cash payments in the second quarter of 2026. As of June 30, 2026, there is no remaining restructuring liability balance.

4. Fair Value Measurements

The Company’s financial instruments consist of cash and cash equivalents, accounts payable and accrued expenses, and warrants to purchase common stock. The carrying amounts of the Company’s cash and cash equivalents and accounts payable and accrued expenses are considered to be representative of their respective fair values due to their short-term nature.

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or non-recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

When quoted market prices are available in active markets, the fair value of assets and liabilities is estimated within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated by using pricing models, quoted prices of assets and liabilities with similar characteristics, or discounted cash flows within Level 2 of the valuation hierarchy. In cases where Level 1 or Level 2 inputs are not available, the fair values are estimated by using inputs within Level 3 of the hierarchy.

The Company has determined the estimated fair value of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair values can be materially affected by using different assumptions or methodologies. The methods and assumptions used in estimating the fair values of financial instruments are based on carrying values and future cash flows.

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	As of June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 1,281	$ —	$ —	$ 1,281
Liabilities				
Warrants	$ —	$ —	$ 622	$ 622

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 4,285	$ —	$ —	$ 4,285
Liabilities				
Warrants	$ —	$ —	$ 3,516	$ 3,516
Pre-Paid Advance	$ —	$ —	$ 4,142	$ 4,142

No transfers between levels have occurred during the periods presented.

Cash Equivalents

Cash equivalents are comprised of money market funds, which are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

Warrant Liability

As of June 30, 2026, Level 3 liabilities include the warrant liability which resulted from warrants being issued on December 20, 2024 (as further described in Note 8), which did not meet the criteria for equity classification in accordance with ASC Subtopic 815-40, Derivatives and Hedging - Contracts in Entity's Own Equity ("ASC 815-40"), and are therefore accounted for as liabilities at fair value.

The Company estimates the fair value of its warrants using significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy. The Company estimated the fair value of the warrants using the Black-Scholes option pricing model.

The significant inputs used in the valuation models to measure the fair value of the warrants are as follows:

	Valuation Date	
	June 30, 2026	December 31, 2025
Common stock price	$ 4.14	$ 28.39
Risk-free rate	4.17%	3.68%
Expected term (in years)	3.98	4.47
Expected volatility	118.4%	103.2%
Dividend yield	0.0%	0.0%

The following table presents the changes in the fair value of Level 3 liabilities for the six months ended June 30, 2026 (in thousands):

	Warrant Liability
Balance at December 31, 2025	$ 3,516
Change in fair value of warrant liability	(2,894)
Balance at June 30, 2026	$ 622

The fair value of the warrant liability as of June 30, 2026 was determined using the re-priced exercise price of $4.35 which was determined in April 2026 after the Share Consolidation (refer to Note 8 for further details). Changes in the fair value of the liability-classified warrants are recognized within the gain (loss) on warrant liability, a component of other income (expense) in the condensed consolidated statements of operations and comprehensive income (loss).

PPAs Liability

As of December 31, 2025, Level 3 liabilities included the Pre-Paid Advance (as defined in Note 7) issued to the Company in November 2025, for which the Company elected the fair value option. The Pre-Paid Advance was fully converted into shares of the Company's common stock as of February 2026 under the terms of the agreement and no remaining liability was outstanding as of June 30, 2026.

The Pre-Paid Advance was classified within Level 3 of the fair value hierarchy as the fair value was derived using a Monte Carlo simulation model in a risk neutral framework, which uses significant unobservable inputs. The significant assumptions used in the valuation model included volatility, expected term, risk-free rates, and credit-adjusted discount rates.

The following table presents the changes in the fair value of Level 3 liabilities for the six months ended June 30, 2026 (in thousands):

	PPAs Liability
Balance at December 31, 2025	$ 4,142
Conversion of Pre-Paid Advance into common stock	(3,869)
Change in fair value of PPAs liability	(273)
Balance at June 30, 2026	$ —

Changes in the fair value of the Pre-Paid Advance are recognized within the gain on PPAs liability, a component of other income (expense) on the condensed consolidated statements of operations and comprehensive income (loss).

5. Leases

The Company has a single operating lease for its corporate headquarters and laboratory space in San Diego, California. In June 2025, the Company entered into an amendment to the lease which reduced the leased space and extended the lease term for the remaining space through November 2030. Pursuant to the amended lease, the Company also has a one-time option to extend the lease term by an additional three years. The amended lease includes certain rent abatement, rent escalations, tenant improvement allowances and additional charges for common area maintenance and other costs.

Under the relevant guidance, the Company reassessed the lease classification and remeasured the lease liability as of the effective date of modification and recognized a lease liability and ROU asset of approximately $6.0 million on the Company's condensed consolidated balance sheets.

The components of lease expense included in the Company's condensed consolidated statements of operations and comprehensive income (loss) include (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease expense	$ 359	$ 331	$ 718	$ 592
Variable lease expense	88	215	207	395
Total lease expense, net	$ 447	$ 546	$ 925	$ 987

Variable lease costs are primarily related to payments made to lessors for common area maintenance, property taxes, insurance, and other operating expenses. The Company did not have any short-term leases or finance leases for the three and six months ended June 30, 2026 and 2025.

The weighted average remaining lease term and weighted average discount rate for operating leases were as follows:

	As of June 30,	
	2026	2025
Weighted average remaining lease term (in years)	4.40	5.40
Weighted average discount rate percentage	9.00%	9.00%

Supplemental cash flow information related to leases under which the Company is the lessee was as follows (amounts in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash paid for amounts included in the measurement of operating leases	$ 365	$ 557	$ 609	$ 845

Maturities of operating lease liabilities as of June 30, 2026 were as follows (in thousands):

	Operating lease
Six months ending December 31, 2026	$ 875
2027	1,528
2028	1,574
2029	1,621
2030	1,529
Total future lease payments	7,127
Less: imputed interest	(1,264)
Total operating lease liabilities	$ 5,863

6. Commitments and Contingencies

From time to time, the Company may be subject to various claims and suits arising in the ordinary course of business. The Company is not currently a party to any legal proceedings the outcome of which the Company believes, if determined adversely to the Company, would individually or in the aggregate have a material adverse effect on the Company's business, operating results or financial condition.

7. Pre-Paid Advance

In November 2025, the Company closed on the PPAs with YA II PN, Ltd. ("Yorkville"), Anson Investments Master Fund LP and Anson East Master Fund LP (collectively, the "Anson Funds" and together with Yorkville, the "Investors"). Pursuant to the PPAs, the Investors agreed to provide the Company with pre-paid advances having an aggregate principal amount of $7.5 million, at a purchase price equal to 95% of the face amount. The purchase resulted in gross proceeds to the Company of $7.13 million. The Pre-Paid Advance accrued interest at 4% per annum.

As a result of the Company's election to account for the Pre-Paid Advance under the fair value option in ASC 825, the Pre-Paid Advance was initially recorded at fair value at issuance using the Monte Carlo simulation model, which uses significant unobservable inputs (Level 3). See Note 4 for significant assumptions used in determining the fair value.

The Company incurred issuance costs of $0.7 million, which were expensed as incurred, as required under the fair value option, and such costs are presented within other income (expense) on the consolidated statements of operations and comprehensive income (loss) for the twelve months ended December 31, 2025.

The Pre-Paid Advance was fully converted into shares of the Company's common stock as of February 2026 under the terms of the agreement. During the first quarter of 2026, the Company issued common stock to the Investors in settlement of approximately $4.5 million in principal and accrued interest under the Pre-Paid Advance. As of March 31, 2026 and June 30, 2026, there was no remaining outstanding principal balance of the Pre-Paid Advance.

8. Stockholders' Equity

Merger and Related Share Consolidation

On April 6, 2026, the Company effected the Share Consolidation of its outstanding shares of common stock pursuant to which every 50 shares of issued and outstanding common stock were converted into one share of common stock. No fractional shares were issued in connection with the Share Consolidation. Stockholders of record who otherwise were entitled to receive fractional shares received an amount in cash (without interest or deduction) equal to the fraction of one share to which such stockholder was otherwise entitled multiplied by the closing price of the common stock on The Nasdaq Capital Market on April 6, 2026. All share and per share amounts prior to the effective date of the Share Consolidation included within these condensed consolidated financial statements have been retrospectively adjusted to reflect the Share Consolidation.

November 2025 Standby Equity Purchase Agreement

In November 2025, in connection with the entry into the PPAs (as defined in Note 1), the Company entered into the SEPA with Yorkville pursuant to which the Company has the right to sell to Yorkville SEPA Shares to the Commitment Amount, over a 36-month period. Sales of SEPA Shares to Yorkville and the timing of any such sales are at the Company's option, and the Company is under no obligation to sell such shares to Yorkville. The SEPA will automatically terminate on the earliest to occur of (i) the 36-month anniversary of the effective date or (ii) the date on which Yorkville has purchased SEPA Shares equal to the Commitment Amount. The Company has the right to terminate the SEPA at no cost or penalty with five trading days' written notice. The Company and Yorkville may also agree to terminate the SEPA by mutual written consent.

Each advance (each, a "SEPA Advance") the Company requests from Yorkville may be for a number of SEPA Shares up to 100% of the average daily trading volume of the Company's common stock on The Nasdaq Capital

Market during the five trading days immediately prior to the date of the Company's request. The SEPA Shares delivered by the Company will be purchased by Yorkville at a price equal to 97% of the lowest daily volume weighted average price ("VWAP") of the Company's common stock during the three trading days prior to the request, subject to a minimum price that may be specified in the Company's request.

The issuance of shares under the SEPA is subject to further limitations and conditions, including that the shares of common stock beneficially owned by each Investor and its affiliates at any one time will not exceed 4.99% of the then-outstanding shares of the Company's common stock.

As consideration for Yorkville's commitment to purchase SEPA Shares, the Company paid Yorkville a cash structuring fee and issued 4,868 shares of common stock to Yorkville. Such fees, totaling approximately $0.3 million, were expensed as incurred and are presented as a component of other income (expense) on the condensed consolidated statements of operations and comprehensive income (loss). During three and six months ended June 30, 2026, 0 and 48,092 SEPA Shares were sold under the SEPA, respectively, with gross proceeds to the Company totaling approximately $0.0 million and $0.4 million, respectively.

December 2024 Offering and Warrant Issuance

In December 2024, the Company closed on an offering (the "December 2024 Offering") of 193,581 shares of common stock at a price of $47.60 per share with accompanying warrants to purchase up to 193,581 shares of common stock, which initially had an exercise price of $59.50 per share (the "Warrants"). Pursuant to the re-pricing mechanism contained in the Warrants, the exercise price of the Warrants was reduced to $4.35 to match the lowest VWAP of our common stock during the eleven (11) trading days commencing five (5) trading days immediately preceding the Share Consolidation and ending five (5) trading days immediately following the Share Consolidation. As discussed in Note 4, the Company recorded a liability at fair value related to the issuance of the Warrants, with changes in fair value each reporting period recognized as a component of other income (loss) in the Company's unaudited condensed consolidated statements of operations and comprehensive income (loss). The fair value of the warrant liability as of June 30, 2026 was determined using the adjusted exercise price of $4.35. The accompanying Warrants became exercisable on June 20, 2025 and will expire five years from the date of initial exercisability. There were 193,581 Warrants outstanding and exercisable at June 30, 2026.

2020 Equity Incentive Plan

Under the 2020 Equity Incentive Plan (the "2020 Plan"), the Company may grant awards of common stock to the Company's employees, consultants and non-employee directors pursuant to option awards, stock appreciation rights awards, restricted stock awards, restricted stock unit awards, performance stock awards, performance stock unit awards and other stock-based awards. As of June 30, 2026 and December 31, 2025, the total number of common shares authorized for issuance under the 2020 Plan was 276,246 and 245,477, respectively. On January 1st of each year, commencing with the first January 1st following the effective date of the 2020 Plan, the shares authorized for issuance under the 2020 Plan shall be increased by the number of shares equal to the lesser of 4% of the total number of shares outstanding on the immediately preceding December 31st and such lesser number of shares determined by the Company's board of directors. The maximum term of the options granted under the 2020 Plan is no more than ten years. Awards under the 2020 Plan generally vest at 25% one year from the vesting commencement date and ratably each month thereafter for a period of 36 months, subject to continuous service as an employee, non-employee director, or independent contractor.

Stock-based compensation expense recognized for all equity awards under the 2020 Plan for the three and six months ended June 30, 2026 and 2025 has been reported in the condensed consolidated statements of operations and comprehensive income (loss) as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Research and development	$ 135	$ 567	$ 457	$ 1,342
General and administrative	484	810	1,118	1,680
Total	$ 619	$ 1,377	$ 1,575	$ 3,022

Restricted Stock Units

The following table summarizes RSU activity under the 2020 Plan for the six months ended June 30, 2026:

	Number of Shares	Weighted - Average Grant Date Fair Value
Outstanding at December 31, 2025	49,254	$ 58.95
Granted	30,120	$ 8.57
Vested	(12,939)	$ 43.97
Forfeited	(9,031)	$ 54.02
Outstanding at June 30, 2026	57,404	$ 36.67

As of June 30, 2026, total unrecognized stock-based compensation expense for RSUs was $1.5 million, which is expected to be recognized over a remaining weighted-average period of approximately 3.1 years.

Stock Options

The following table summarizes stock option activity under the 2020 Plan for the six months ended June 30, 2026:

	Number of Options	Weighted - Average Exercise Price Per Share	Weighted - Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance at December 31, 2025	117,703	$ 393.71	6.43	$ —
Forfeited	(3,417)	$ 198.71		
Expired	(227)	$ 785.66		
Balance at June 30, 2026	114,059	$ 388.45	5.07	$ —
Vested and expected to vest at June 30, 2026	114,059	$ 388.45	5.07	$ —
Exercisable at June 30, 2026	105,840	$ 404.00	4.94	$ —

As of June 30, 2026, total unrecognized stock-based compensation cost for unvested common stock options was $1.1 million, which is expected to be recognized over a remaining weighted-average period of approximately 0.7 years. There were no stock options granted during the six months ended June 30, 2026. The total fair value of options vested during the six months ended June 30, 2026 was $1.0 million. Upon option exercise, the Company issues new shares of its common stock.

Employee Stock Purchase Plan

The Employee Stock Purchase Plan (the "ESPP") permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation. As of June 30, 2026 and December 31, 2025, a total of 77,008 shares and 60,717 shares, respectively, of common stock were authorized for issuance under the ESPP. The number of shares of common stock authorized for issuance will automatically increase on January 1 of each calendar year, from January 1, 2021 through January 1, 2030 by the least of (i) 1.0% of the total number of common shares of our common stock outstanding on December 31 of the preceding calendar year (calculated on a fully diluted basis), (ii) 18,593 common shares or (iii) a number determined by the Company's board of directors that is less than (i) and (ii). The Company issued 800 and 2,709 of common stock under the ESPP during the six months ended June 30, 2026 and 2025. As of June 30, 2026, 59,278 shares of common stock remained available for issuance under the ESPP. Stock-based compensation expense related to the ESPP for the three and six months ended June 30, 2026 and 2025 was immaterial.

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance are as follows in common equivalent shares:

	June 30, 2026	December 31, 2025
Warrants for the purchase of common stock	193,581	193,581
Common stock options and restricted stock units issued and outstanding	171,463	166,257
Awards available for future issuance under the 2020 Plan	39,200	26,013
Awards available for future issuance under the ESPP	59,278	43,786
Shares available for future conversions of PPAs	—	136,923
Total common stock reserved for future issuance	463,522	566,560

9. Collaboration, License and Option Agreements

Global Co-Development and Collaboration Agreement with BeOne Medicines

In April 2019, the Company entered into a Global Co-Development and Collaboration agreement (the "BeOne Collaboration") with BeOne Medicines Ltd., formerly BeiGene Ltd. ("BeOne"), for the development, manufacturing and commercialization of evalstotug (BA3071). The BeOne Collaboration was amended several times between 2019 and 2021 and the Company received a total of $25.0 million in non-refundable payments from BeOne during that time.

In November 2021, the BeOne Collaboration was terminated, subject to survival of certain provisions, and BeOne handed back rights to know-how and materials received under the amended BeOne Collaboration. As a result, the Company is responsible for the global development and commercialization of evalstotug. As consideration for this amendment, the Company agreed to pay BeOne mid-single digit royalties on sales worldwide and on a limited basis will share in any upfront and milestone payments received through a sublicense of evalstotug. The Company reclassified its then remaining $19.8 million of deferred revenue as a long-term liability which is expected to settle as licensing payments are made to BeOne in accordance with the resulting amendment. In the event the license is terminated, the liability will be extinguished with no further payment to BeOne.

The Company did not recognize any revenue related to the collaboration agreement with BeOne during the three and six months ended June 30, 2026 and 2025. The Company had a $19.8 million liability to licensor as of June 30, 2026 and December 31, 2025.

License Agreement with Context Therapeutics Inc.

In September 2024, the Company entered into a License Agreement (the "Context License Agreement") with Context Therapeutics Inc. ("Context"). Under the terms of the Context License Agreement, BioAtla granted Context an exclusive, worldwide license to develop, manufacture and commercialize two licensed antibodies, including BA3362 (renamed by Context as CT-202), a Nectin-4 x CD3 T cell engaging ("TCE") bispecific antibody (the "License"). The Company also transferred know-how, including any necessary materials Context would need to perform research and development. In exchange for the License, the Company is eligible to receive up to $133.5 million in aggregate payments, including an upfront cash payment and potential development, regulatory and commercial milestones, as well as tiered mid-single digit to low double-digit royalties on future net sales of the products. In connection with the execution of the Context License Agreement, the Company also entered into an agreement with Himalaya Therapeutics SEZC, a related party (See Note 10).

A single performance obligation was identified under the Context License Agreement comprised of BioAtla's promise to transfer the License. Context is responsible for developing BA3362 and for global regulatory filings and commercialization. Context will bear all costs associated with the research, development, and commercialization of any products.

In accordance with Topic 606, the Company determined the transaction price of the agreement is limited to the up-front payment received, and excluded the variable consideration of development and sale milestone payments and royalties as they were fully constrained. As part of the Company's evaluation of the milestone constraints, the Company determined the achievement of such milestones are contingent upon success in future developments, regulatory approvals and commercial activities, which are not within its control and are uncertain at this stage. Variable consideration related to royalties would be recognized when the related sales occur. Further, the Company determined that there were no significant financing components, noncash consideration, or amounts that may be refunded to the customer.

Management determined that the transfer of the License did not meet any of the criteria for recognizing revenue over time, and therefore revenue was recognized at the point in time that the Context License Agreement was executed and the License was transferred to Context. Additional revenue was recognized for development milestone payment received in November 2025.

On May 14, 2026, the Company entered into a First Amendment (the "Context Amendment") to the Context License Agreement, by and between the Company and Context. Under the terms of the Context Amendment, and in full consideration for the amended license rights described below, Context agreed to pay to the Company: (i) $4,500,000, payable within five (5) business days of the effective date of the Context Amendment, and (ii) $2,000,000, payable by August 1, 2026 (together, the "Amendment Consideration").

The Amendment Consideration was recognized as revenue during the three and six months ended June 30, 2026 as all performance obligations had been previously satisfied. The Amendment Consideration represents consideration for the modification of the existing licensing arrangement and the elimination of future milestone and royalty payment obligations under the Context License Agreement. Accordingly, the Company accounted for the Context Amendment in accordance with ASC 606 contract modification guidance and recognized $6.5 million of revenue. The Amendment Consideration satisfies in full any and all milestone and royalty payment obligations contemplated by the Context License Agreement. In addition, the Context Amendment modified the license granted to Context such that it became irrevocable, exclusive, royalty-free, fully paid-up and non-terminable, and removed any and all diligence obligations with respect to Context.

The Company did not recognize any revenue related to the Context License Agreement for the three and six months ended June 30, 2025.

10. Related Party Transactions

Himalaya Therapeutics SEZC

Global Transaction Agreement

In September 2024, the Company entered into a Global Transaction Agreement (the "Himalaya Agreement") with Himalaya. BioAtla and Himalaya had previously entered into an Amended and Restated Exclusive Rights Agreement (the "Amended Rights Agreement") in January of 2020. Pursuant to the Amended Rights Agreement, Himalaya controls rights to develop, manufacture and commercialize certain assets, including BA3362 which was licensed to Context (see Note 9), in certain territories as further specified in the Amended Rights Agreement. Pursuant to the Himalaya Agreement, Himalaya consented to BioAtla's execution and performance of the Agreement, and granted to BioAtla an exclusive, worldwide, sublicensable license for those impacted products and intellectual property. Further, as set forth in the Amended Rights Agreement and further clarified in the Himalaya Agreement, BioAtla agreed to pay, subject to any applicable tax withholdings, to Himalaya (i) a mid-teens percentage of all upfront payments and development milestones received by BioAtla from Context under the Context License Agreement; and (ii) a specified percentage of any and all sales milestones and/or royalties based upon Net Sales (as defined in the Context License Agreement) in the People's Republic of China and the Special Administrative Regions of Hong Kong, Macao and Taiwan that BioAtla receives from Context under the Context License Agreement.

The Company is the principal in the Context License Agreement and in the Himalaya Agreement, and will record revenues and expenses on a gross basis given that the Company had full discretion in setting consideration

pricing in the Context License Agreement, the Company will be primarily responsible for providing the License, and Himalaya has no obligation to be a part of any of the fulfillment activities.

For the three and six months ended June 30, 2026, the Company recognized $1.0 million in expense related to the transactions with Himalaya. For the three and six months ended June 30, 2025, the Company did not recognize any expense related to the transactions with Himalaya. As of June 30, 2026, the Company had $0.3 million due to Himalaya.

BA 3021 SPV, LLC

BA 3021 SPV LLC, a Delaware limited liability company (the "SPV"), was incorporated in December 2025. However, the Company has not yet completed the legal steps required to form the new entity as a wholly owned subsidiary, and the new entity has not issued any common units or finalized its limited liability company agreement as of June 30, 2026. The Company determined that BioAtla is the primary beneficiary of the SPV as of December 31, 2025 and June 30, 2026.

11. 401(k) Plan

The Company maintains a defined contribution 401(k) plan available to eligible employees. Employee contributions are voluntary and are determined on an individual basis, limited to the maximum amount allowable under federal tax regulations. The Company, at its discretion, may make certain matching contributions to the 401(k) plan. To date, the Company has not made any matching contributions.

12. Segment Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company is a clinical-stage biopharmaceutical company and has not generated any product revenue from its CAB antibody-based products. The Company's operations are organized and reported as a single reportable segment, which includes all activities related to the discovery, development, and commercialization of its CAB products. The Company's CODM, its chief executive officer, reviews operating results on an aggregate basis and manages the operations as a single operating segment. The measure of segment assets is reported on the condensed consolidated balance sheets as total assets. The CODM evaluates performance and allocates resources based on consolidated net income or loss that also is reported on the condensed consolidated statements of operations and comprehensive income (loss) as net income (loss), and cash used in operations.

The following table provides R&D expenses by program with a reconciliation to net income (loss) for the periods indicated, which are regularly reviewed by the CODM:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Collaboration and other revenue	$ 6,500	$ —	$ 6,500	$ —
Program expenses:				
BA3182 (CAB EpCAM x CAB CD3)	$ 322	$ 2,136	$ 2,141	$ 3,076
Other CAB Programs	2,031	8,032	2,044	14,300
Total program expenses	2,353	10,168	4,185	17,376
Personnel and related	481	2,145	2,248	5,603
Equity-based compensation	135	567	457	1,342
Facilities and other	373	804	1,034	1,718
Total research and development expenses	3,342	13,684	7,924	26,039
General and administrative expenses				
Personnel and related	727	1,577	1,910	3,680
Equity-based compensation	485	810	1,119	1,680
Facilities and other	1,719	2,576	4,628	4,862
Total general and administrative expenses	2,931	4,963	7,657	10,222
Interest and other income (expense)	225	(64)	3,189	2,216
Net income (loss) and comprehensive income (loss)	$ 452	$ (18,711)	$ (5,892)	$ (34,045)

13. Subsequent Events

In connection with the preparation of the condensed consolidated financial statements for the three and six months ended June 30, 2026, the Company has completed an evaluation of all subsequent events through August 13, 2026, which represents the date the condensed consolidated financial statements were issued, for events requiring adjustment to or disclosure in the financial statements. The Company has further evaluated subsequent events for disclosure purposes through October 19, 2026. Except as described below or elsewhere in these condensed consolidated financial statements, the Company has concluded that no subsequent event has occurred that requires disclosure or adjustment to the financial statements.

License Agreement with Context Therapeutics Inc.

In connection with the Context Amendment, the Company received the additional $2.0 million payment from Context that was due by August 1, 2026.

Nasdaq

On August 26, 2026, the Company was notified that a determination was made to delist the Company's common stock, par value $0.0001 per share (the "Common Stock"), from Nasdaq. Trading of the Common Stock on Nasdaq was suspended at the opening of business on August 31, 2026. On August 31, 2026, the Common Stock began to be quoted on the OTC Markets system under its current trading symbol "BCAB". The Common Stock is currently quoted on the OTCQB Venture Market.

SEPA

On October 15, 2026, the Company entered into a Standby Equity Purchase Agreement with Yorkville (the "2026 SEPA") pursuant to which the Company has the right to sell to Yorkville up to $40.0 million of shares of the Company's common stock, par value $0.0001 per share (the "Common Stock") (such amount, the "Commitment Amount"), subject to certain limitations and conditions set forth in the 2026 SEPA, during the 36 months following the Effective Date (such shares, the "SEPA Shares"). Sales of the SEPA Shares to Yorkville and the timing of any such sales, if elected to be utilized by the Company at a future date, are at the Company's option, and the Company is under no obligation to sell any SEPA Shares to Yorkville.

As consideration for Yorkville's commitment to purchase the SEPA Shares, the Company agreed to pay to Yorkville a commitment fee of $500,000 (the "Commitment Fee"), which was earned on the Effective Date. One-half of the Commitment Fee is payable within five days of the Effective Date and the remaining one-half is payable on or before December 31, 2026, in each case, at the Company's election, either in cash or by the issuance to Yorkville of warrants (the "Commitment Fee Warrants") exercisable for a number of shares of Common Stock (the "Commitment Shares"). On October 16, 2026, the Company issued Commitment Fee Warrants to Yorkville exercisable for 182,110 Commitment Shares in payment of the first installment of the Commitment Fee.

On October 15, 2026, in connection with entering into the 2026 SEPA described above, the Company terminated the SEPA dated as of November 20, 2025 (the "Prior SEPA"), between the Company and Yorkville. Pursuant to the Prior SEPA, the Company had the right, but not the obligation, to sell to Yorkville up to $15.0 million of shares of Common Stock. Prior to its termination, the Company sold an aggregate of 48,092 shares of Common Stock to Yorkville under the Prior SEPA for aggregate gross proceeds of approximately $0.4 million.

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BioAtla, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity (deficit) and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

Critical Audit Matter

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

Accrual of Clinical Trial Expenses

Description of the Matter

During 2025, the Company incurred $43.6 million for research and development expenses and as of December 31, 2025 accrued $5.8 million for clinical trial costs. A portion of the Company's ongoing research and development activities are conducted by third-party service providers, including clinical research organizations ("CROs"). External costs to be paid to CROs are accrued and expensed based upon actual work completed in accordance with signed agreements.

Auditing management's accounting for accrued clinical trial costs is especially challenging because the evaluation is dependent upon a high-volume of data and input exchanged between clinical personnel and third-party service providers, such as the total trial management costs, number of sites activated, the number of patients enrolled, and the number of patient visits, which is tracked in spreadsheets and other end user computing programs.

How We Addressed the Matter in Our Audit

To test the completeness of the Company's accrued clinical trial expenses, we obtained from third-parties confirmation of the number of patients enrolled and costs billed but unpaid as of year-end for significant clinical trials. We obtained an understanding of the status of significant clinical trial activities from accounting personnel and the clinical project managers. To assess the appropriate measurement of accrued clinical trial expenses, we inspected key terms, timelines of completion, activities and costs for a sample of vendor contracts, including amendments, and compared these to management's analyses used in tracking the progress of service agreements. We also tested a sample of subsequent payments by agreeing the amount of the payment to the invoice and to the amount accrued.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2016.
San Diego, California
March 31, 2026
except for the fifth paragraph of Note 14, as to which the date is
October 19, 2026

BioAtla, Inc.
Consolidated Balance Sheets
(in thousands, except par value and share amounts)

	December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 7,118	$ 49,046
Prepaid expenses and other current assets	895	2,186
Total current assets	8,013	51,232
Property and equipment, net	120	678
Operating lease right-of-use-asset, net	5,532	512
Other assets	163	—
Total assets	$ 13,828	$ 52,422
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses	$ 16,353	$ 13,704
Operating lease liabilities	1,427	836
PPAs liability	4,142	—
Total current liabilities	21,922	14,540
Operating lease liabilities, less current portion	4,773	—
Liability to licensor	19,806	19,806
Warrant liability	3,516	3,811
Total liabilities	50,017	38,157
Commitments and contingencies (Note 6)		
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 200,000,000 shares authorized at December 31, 2025 and December 31, 2024; 0 shares issued and outstanding at December 31, 2025 and December 31, 2024	—	—
Common stock, $0.0001 par value; 350,000,000 shares authorized at December 31, 2025 and December 31, 2024; 1,269,286 and 1,161,983 shares issued and outstanding at December 31, 2025 and December 31, 2024	—	—
Class B common stock, $0.0001 par value; 15,368,569 shares authorized at December 31, 2025 and December 31, 2024; 0 shares issued and outstanding at December 31, 2025 and December 31, 2024	—	—
Additional paid-in capital	509,457	500,304
Accumulated deficit	(545,646)	(486,039)
Total stockholders' equity (deficit)	(36,189)	14,265
Total liabilities and stockholders' equity (deficit)	$ 13,828	$ 52,422

See accompanying notes.

BioAtla, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)

	Years ended December 31,	
	2025	2024
Collaboration and other revenue	$ 2,000	$ 11,000
Operating expenses:		
Research and development expense (includes related party amounts of $300 and $2,150 for the years ended December 31, 2025 and 2024, respectively)	43,573	63,095
General and administrative expense	17,732	21,848
Total operating expenses	61,305	84,943
Loss from operations	(59,305)	(73,943)
Other income (expense):		
Interest income	843	3,369
Gain on warrant liability	295	807
Loss on PPAs liability	(406)	—
Other expense	(1,034)	(9)
Total other income (expense)	(302)	4,167
Consolidated net loss and comprehensive loss	$ (59,607)	$ (69,776)
Net loss per common share, basic and diluted	$ (50.66)	$ (71.83)
Weighted-average shares of common stock outstanding, basic and diluted	1,176,558	971,467

See accompanying notes.

BioAtla, Inc.
Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share amounts)

	Common stock		Class B common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount	Shares	Amount			
Balance at December 31, 2023	961,551	$ —	—	$ —	$486,935	$ (416,263)	$ 70,672
Issuance of common stock, net of issuance costs and warrant liability	193,583	—	—	—	4,152	—	4,152
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	1,540	—	—	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	5,309	—	—	—	342	—	342
Taxes related to net share settlement of equity awards	—	—	—	—	(46)	—	(46)
Stock-based compensation expense	—	—	—	—	8,921	—	8,921
Net loss	—	—	—	—	—	(69,776)	(69,776)
Balance at December 31, 2024	1,161,983	$ —	—	$ —	$500,304	$ (486,039)	$ 14,265
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	12,555	—	—	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	5,137	—	—	—	100	—	100
Issuance of common stock for commitment fee under SEPA	4,868	—	—	—	282	—	282
Issuance of common stock under PPAs	84,743	—	—	—	3,389	—	3,389
Taxes related to net share settlement of equity awards	—	—	—	—	(52)	—	(52)
Stock-based compensation expense	—	—	—	—	5,434	—	5,434
Net loss	—	—	—	—	—	(59,607)	(59,607)
Balance at December 31, 2025	1,269,286	$ —	—	$ —	$509,457	$ (545,646)	$ (36,189)

See accompanying notes.

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

	Years ended December 31,	
	2025	2024
Cash flows from operating activities		
Net loss	$ (59,607)	$ (69,776)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	373	925
Loss on disposal of property and equipment	185	—
Change in fair value of warrant liability	(295)	(807)
Change in fair value of PPAs liability	406	—
Commitment fee under SEPA	282	—
Financing costs related to PPAs	742	—
Stock-based compensation	5,434	8,921
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	1,128	2,903
Accounts payable and accrued expenses	2,804	(13,461)
Right-of-use assets and lease liabilities, net	344	(641)
Net cash used in operating activities	(48,204)	(71,936)
Cash flows from financing activities		
Proceeds from PPAs	7,125	—
Payment of financing costs related to issuance of common stock, PPAs and SEPA	(897)	—
Proceeds from issuance of common stock and warrants, net of issuance costs	—	9,215
Proceeds from issuance of common stock under Employee Stock Purchase Plan	100	342
Payments for taxes related to net settlement of equity awards	(52)	(46)
Net cash provided by financing activities	6,276	9,511
Net decrease in cash and cash equivalents	(41,928)	(62,425)
Cash and cash equivalents, beginning of period	49,046	111,471
Cash and cash equivalents, end of period	$ 7,118	$ 49,046
Supplemental disclosure of non-cash investing and financing activities		
Increase in right-of-use assets and operating lease liabilities resulting from contract modification	$ 5,999	$ —
PPAs related costs included in accounts payable and accrued expense	$ 289	$ —
Fair value of common stock issued in satisfaction of PPAs liability	$ 3,389	$ —
Equity issuance costs included in accounts payable and accrued expense	$ —	$ 445

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

Organization

BioAtla, LLC was formed in Delaware in March 2007 and was converted to a Delaware corporation in July 2020 and renamed BioAtla, Inc. (the "Company"). The Company has a proprietary platform for creating biologics, including its conditionally active biologics ("CAB" or "CABs"). CABs have been designed to be active only under certain conditions found in diseased tissue, while remaining inactive in normal tissue. The Company is currently in clinical development of several CAB drug candidates including: its two lead CAB antibody drug conjugates ("CAB ADC"), mecbotamab vedotin (BA3011), a CAB ADC targeting AXL, and ozuriftamab vedotin (BA3021), a CAB ADC targeting ROR2; evalstotug (BA3071), a CAB anti-CTLA-4 antibody; and BA3182 (CAB-EpCAM x CAB-CD3), a CAB bispecific antibody targeting EpCAM.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). BioAtla, Inc. is a single legal entity with one consolidated variable interest entity ("VIE"), BA 3021 SPV LLC (see Note 10).

Liquidity and Going Concern

The Company has incurred cumulative operating losses and negative cash flows from operations since its inception and expects to continue to incur significant expenses and operating losses for the foreseeable future as it continues development of its product candidates. As of December 31, 2025, the Company had an accumulated deficit of $545.6 million. The Company plans to continue to fund its losses from operations and capital funding needs through public or private equity or debt financings, or other sources. If the Company is not able to secure adequate additional funding, the Company may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, or suspend or curtail planned programs. Any of these actions could materially harm the Company's business, results of operations and future prospects.

Management is required to perform a two-step analysis of the Company's ability to continue as a going concern. Management must first evaluate whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern (Step 1). If management concludes that substantial doubt is raised, management is also required to consider whether its plans alleviate that doubt (Step 2). Management's assessment concluded that there is substantial doubt about the Company's ability to continue as a going concern for a period of at least one year from the issuance date of these consolidated financial statements.

The Company has prepared its consolidated financial statements on a going concern basis, which assumes that the Company will realize its assets and satisfy its liabilities in the normal course of business. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of the uncertainty concerning the Company's ability to continue as a going concern.

Variable Interest Entities

The Company consolidates entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a VIE. VIEs are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently, (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity and (iii) the legal entity is structured with substantive voting rights. A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. The Company has a controlling financial interest in a VIE when the Company has a variable interest or interests that provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether or not it has a controlling financial interest (see Note 10).

Use of Estimates

The Company's consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of the Company's consolidated financial statements requires it to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the Company's consolidated financial statements and accompanying notes. The most significant estimates in the Company's consolidated financial statements relate to accruals for research and development costs, equity-based compensation, and fair value measurements related to the Pre-Paid Advance Agreements (the "PPAs") and SEPA (as defined in Note 8). These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue and expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less at the date of purchase to be cash equivalents. Cash equivalents consist of highly rated securities including U.S. Government and U.S. Treasury money market funds, which are unrestricted as to withdrawal or use. The cash and cash equivalents balance as of December 31, 2025 and 2024 includes $4.3 million and $38.8 million, respectively, invested in U.S. Government and U.S. Treasury money market funds.

Concentrations of Risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits and may invest cash that is not required for immediate operating needs in highly liquid instruments that bear minimal risk. The Company has not experienced any losses in such accounts and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Property and Equipment

Property and equipment are stated at cost and depreciated on a straight-line basis over the estimated useful life of the related assets. Leasehold improvements are stated at cost and amortized on a straight-line basis over the lesser of the remaining term of the related lease or the estimated useful life of the leasehold improvements. Repairs and maintenance costs are charged to expense as incurred and expenditures that materially extend the useful lives of assets are capitalized.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, such as property and equipment, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. Fair value would be assessed using discounted cash flows or other appropriate measures of fair value. The Company has not recognized any impairment losses for the years ended December 31, 2025 and 2024.

Leases

The Company determines if an arrangement is a lease at inception. An arrangement is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If a lease is identified, classification is determined at lease commencement. Operating lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The Company's leases do not provide an implicit interest rate and therefore the Company estimates its incremental borrowing rate to discount lease payments. The incremental borrowing rate reflects the interest rate that the Company would have to pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment over a similar term. Operating lease right-of-use ("ROU") assets are based on the corresponding lease liability adjusted for any lease payments made at or before commencement, initial direct costs, and lease incentives. Renewals or early terminations are not accounted for unless the Company is reasonably certain to exercise these options. Operating lease expense is recognized and the ROU asset is amortized on a straight-line basis over the lease term. Variable lease costs are recognized as incurred and are not included in the calculation of the ROU asset or the related lease liability.

The Company has a single lease agreement with lease and non-lease components, which are accounted for as a single lease component. Payments for short-term leases, defined as leases with a term of twelve months or less, are expensed on a straight-line basis over the lease term. The Company does not currently have any short-term leases.

Operating leases are included in operating lease right-of-use assets, operating lease liabilities, and operating lease liabilities, non current on the Company's consolidated balance sheets. The Company does not have any finance leases.

Derivative Instruments and Warrant Liabilities

The Company evaluates its financial instruments and other contracts, including issued warrants to purchase common stock, to determine if those instruments are required to be recognized as derivatives or contain features that qualify as embedded derivatives under the relevant accounting standards (see Note 4 and Note 8). The result of this accounting treatment is that the derivative is carried at fair value as an asset or liability with changes in fair value recognized in earnings at each reporting date. Changes in the fair value of derivatives are recorded in the consolidated statements of operations and comprehensive loss as a component of other income (expense).

Fair Value Option

Under the ASC 825, Financial Instruments ("ASC 825") the Company has the irrevocable option to report certain financial assets and financial liabilities at fair value on an instrument-by-instrument basis. Under the PPAs entered into in November 2025, pre-paid advances having an aggregate principal amount of $7.5 million (the "Pre-Paid Advance") were issued to the Company. The Company elected the fair value option to account for the Pre-Paid Advance (See Note 4 and Note 7). The fair value option was elected as management believes fair value measurement better aligns with the instrument's economic risks and expected settlement outcomes. This election also eliminates the need to bifurcate the embedded conversion features and account for them separately as derivative instruments.

The Pre-Paid Advance was initially recorded at fair value at issuance, which was determined to be equal to the transaction price of $7.15 million. Issuance costs incurred in connection with the Pre-Paid Advance were expensed as incurred, consistent with the requirements applicable to instruments measured at fair value under ASC 825. Subsequent to initial recognition, the Company remeasures the Pre-Paid Advance to fair value at each reporting date, with changes in fair value recognized in earnings within the loss on PPAs liability on the consolidated statements of operations and comprehensive loss. The change in fair value related to accrued interest is presented with the total change in fair value of the Pre-Paid Advance as a single line within the loss on PPAs liability on the consolidated statements of operations and comprehensive loss.

Revenue Recognition

The Company recognizes revenue in a manner that depicts the transfer of control of a product or service to a customer and reflects the amount of the consideration the Company is entitled to receive in exchange for such product or service. In doing so, the Company follows a five-step approach: (i) identify the contract 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, and (v) recognize revenue when (or as) the customer obtains control of the product or service. The Company considers the terms of a contract and all relevant facts and circumstances when applying the revenue recognition standard.

A customer is a party that has entered into a contract with the Company, where the purpose of the contract is to obtain a product or a service that is an output of the Company's ordinary activities in exchange for consideration. To be considered a contract, (i) the contract must be approved (in writing, orally, or in accordance with other customary business practices), (ii) each party's rights regarding the product or the service to be transferred can be identified, (iii) the payment terms for the product or the service to be transferred can be identified, (iv) the contract must have commercial substance (that is, the risk, timing or amount of future cash flows is expected to change as a result of the contract), and (v) it is probable that the Company will collect substantially all of the consideration to which it is entitled to receive in exchange for the transfer of the product or the service.

A performance obligation is defined as a promise to transfer a product or a service to a customer. The Company identifies each promise to transfer a product or a service (or a bundle of products or services, or a series of products and services that are substantially the same and have the same pattern of transfer) that is distinct. A product or service is distinct if both (i) the customer can benefit from the product or the service either on its own or together with other resources that are readily available to the customer and (ii) the Company's promise to transfer the product or the service to the customer is separately identifiable from other promises in the contract. Each distinct promise to transfer a product or a service is a unit of accounting for revenue recognition. If a promise to transfer a product or a service is not separately identifiable from other promises in the contract, such promises should be combined into a single performance obligation.

The transaction price is the amount of consideration the Company is entitled to receive in exchange for the transfer of control of a product or a service to a customer. To determine the transaction price, the Company considers the existence of any significant financing component, the effects of any variable elements, non-cash consideration and consideration payable to the customer. If a significant financing component exists, the transaction price is adjusted for the time value of money. If an element of variability exists, the Company must estimate the consideration it expects to receive and use that amount as the basis for recognizing revenue as the product or service is transferred to the customer. There are two methods for determining the amount of variable consideration: (i) the expected value method, which is the sum of probability-weighted amounts in a range of possible consideration amounts, and (ii) the most likely amount method, which identifies the single most likely amount in a range of possible consideration amounts.

If a contract has multiple performance obligations, the Company allocates the transaction price to each distinct performance obligation in an amount that reflects the consideration the Company is entitled to receive in exchange for satisfying each distinct performance obligation. For each distinct performance obligation, revenue is recognized when the Company transfers control of the product or the service applicable to such performance obligation.

In those instances where the Company first receives consideration in advance of satisfying its performance obligation, the Company classifies such consideration as deferred revenue until (or as) the Company satisfies such performance obligation. In those instances where the Company first satisfies its performance obligation prior to its receipt of consideration, the consideration is recorded as accounts receivable.

The Company expenses incremental costs of obtaining and fulfilling a contract as incurred if the expected amortization period for the asset that would be recognized is one year or less, or if the amount of the asset is immaterial. Otherwise, such costs are capitalized as contract assets if they are incremental to the contract and amortized to expense proportionate to revenue recognition of the underlying contract.

Research and Development Expenses

The Company's activities have largely consisted of research and development efforts related to developing our CAB programs. Research and development expenses consist of expenses incurred in performing research and development activities including salaries and benefits, facilities and other overhead expenses, clinical trials, contract services and other outside expenses. Research and development expenses are charged to expense as incurred. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in the accompanying consolidated balance sheets as prepaid or accrued expenses. When evaluating the adequacy of the accrued expenses, the Company analyzes progress of the services, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates may be made in determining the accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates.

As of December 31, 2025, the Company has accrued $5.8 million related to clinical trial costs. The Company has entered into contracts related to its clinical trials with clinical research organizations. The Company reviews and accrues clinical trial costs based on work performed, which relies on estimates and assumptions of total trial management costs, sites activated, patients enrolled, and number of patient visits. The Company follows this method since reasonably dependable estimates of the costs applicable to clinical trials can be made. Accrued clinical trial costs are subject to revisions as the trials progress. Revisions are charged to expense in the period in which the facts that give rise to the revision become known. A modification in the protocol of a clinical trial or cancellation of a trial could result in a material change to the Company's results of operations.

Patent Costs

Costs related to filing and pursuing patent applications are recorded as general and administrative expenses and expensed as incurred since recoverability of such expenditures is uncertain.

Stock-Based Compensation

Stock-based compensation expense represents the grant date fair value of equity awards, consisting of stock options, restricted stock units ("RSUs") and employee stock purchase plan rights, over the requisite service period of the awards (usually the vesting period) on a straight-line basis. The Company estimates the fair value of stock option grants and employee stock purchase plan rights using the Black-Scholes option pricing model. The fair value of RSUs is based on the closing sales price of the Company's common stock on the date of grant. Equity award forfeitures are recognized as they occur.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized as income in the period that includes the enactment date.

The Company recognizes net deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, exclusive of reversing temporary difference, tax-planning strategies, and the results of recent operations. If management determines that the Company would be able to realize its deferred tax assets in the future in excess of their net recorded amount, management would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process whereby (1) management determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, management recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes interest and penalties related to unrecognized tax benefits within income tax expense. Any accrued interest and penalties are included within the related tax liability.

Comprehensive Loss

Comprehensive loss is defined as a change in equity during a period from transactions and other events and circumstances from non-owner sources, and consists of net loss and other comprehensive gain (loss). There have been no items qualifying as other comprehensive loss and, therefore, for all periods presented, the Company's comprehensive loss was the same as its reported net loss.

Net Loss Per Share

Basic net loss per common share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares and dilutive common stock equivalents outstanding for the period determined using the treasury-stock method. Dilutive common stock equivalents are comprised of common stock warrants, RSUs, common stock options outstanding under the Company's stock option plan, contingently issuable shares under the BioAtla, Inc. Employee Stock Purchase Plan (the "ESPP"), and potential future conversions of the Pre-Paid Advance into common stock ("PPA Shares").

Potentially dilutive securities not included in the calculation of diluted net loss per common share because to do so would be anti-dilutive are as follows (in common stock equivalents):

	December 31,	
	2025	2024
Common stock warrants	193,581	193,581
Common stock options	117,581	121,920
Restricted stock units	48,678	31,060
ESPP shares	991	1,577
PPA Shares	136,923	—
Total	497,754	348,138

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, Accounting Standards Updates ("ASU") not included in the Company's disclosures were assessed and determined to be either not applicable or are not expected to have a material impact on the Company's financial statements or disclosures.

In November 2024, the FASB issued Accounting Standards Update ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which requires public entities, at annual and interim reporting periods, to disclose in a tabular format additional information about specific expense categories in the notes to the consolidated financial statements. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11, "Interim Reporting (Topic 270): Narrow Scope Improvements". This update will improve the navigability of required interim disclosures and clarify when that guidance is applicable, and will require entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company will adopt the standard for the interim periods within the year ending December 31, 2028. The Company is currently evaluating the impact of the adoption on its consolidated financial statements and related disclosures.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for public entities with annual periods beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-09 in the fourth quarter of 2025. The Company expanded its income tax disclosures as a result of adopting this new accounting standard.

2. Balance Sheet Details

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

	December 31,	
	2025	2024
Prepaid research and development	$ 663	$ 1,739
Other prepaid expenses and current assets	232	447
Total	$ 895	$ 2,186

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

	Useful life (years)	December 31,	
		2025	2024
Furniture, fixtures and office equipment	3 - 7	$ 1,101	$ 1,721
Laboratory equipment	5	1,829	2,280
Leasehold improvements	2 - 3	2,498	3,680
		5,428	7,681
Less accumulated depreciation and amortization		(5,308)	(7,003)
Total		$ 120	$ 678

Accounts payable and accrued expenses consist of the following (in thousands):

	December 31,	
	2025	2024
Accounts payable	$ 8,194	$ 1,902
Accrued compensation	37	2,726
Accrued research and development	7,280	8,033
Other accrued expenses	842	1,043
Total	$ 16,353	$ 13,704

3. Restructuring

In March 2025, the Company implemented a corporate restructuring, which included a reduction in force, designed to improve the Company's operating model and cost structure.

In connection with the restructuring, the Company implemented a reduction in workforce of approximately 30%, which was initiated in the first quarter of 2025. The Company recorded restructuring costs of $0.6 million, during the year ended December 31, 2025, of which $0.5 million is included in research and development expense and $0.1 million is included in general administrative expense in the consolidated statements of operations and comprehensive loss. Restructuring costs primarily consisted of employee severance, continuing healthcare benefits and other employee-related costs. These benefits were fully paid out during the second quarter of 2025, and there is no remaining restructuring liability as of December 31, 2025.

4. Fair Value Measurements

The Company's financial instruments consist of cash and cash equivalents, pre-paid advances, accounts payable and accrued expenses, and warrants to purchase common stock. The carrying amounts of the Company's cash and cash equivalents and accounts payable and accrued expenses are considered to be representative of their respective fair values due to their short-term nature.

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or non-recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

When quoted market prices are available in active markets, the fair value of assets and liabilities is estimated within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated by using pricing models, quoted prices of assets and liabilities with similar characteristics, or discounted cash flows within Level 2 of the valuation hierarchy. In cases where Level 1 or Level 2 inputs are not available, the fair values are estimated by using inputs within Level 3 of the hierarchy.

The Company has determined the estimated fair value of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair values can be materially affected by using different assumptions or methodologies. The methods and assumptions used in estimating the fair values of financial instruments are based on carrying values and future cash flows.

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 4,285	$ —	$ —	$ 4,285
Liabilities				
Warrants	$ —	$ —	$ 3,516	$ 3,516
Pre-Paid Advance	$ —	$ —	$ 4,142	$ 4,142

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 38,822	$ —	$ —	$ 38,822
Liabilities				
Warrants	$ —	$ —	$ 3,811	$ 3,811

No transfers between levels have occurred during the periods presented.

Cash Equivalents

Cash equivalents are comprised of money market funds, which are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

Warrant Liability

As of December 31, 2025, Level 3 liabilities include the warrant liability which resulted from warrants being issued on December 20, 2024 (as further described in Note 8), which did not meet the criteria for equity classification in accordance with ASC Subtopic 815-40, Derivatives and Hedging - Contracts in Entity's Own Equity ("ASC 815-40"), and are therefore accounted for as liabilities at fair value.

The Company estimates the fair value of its warrants using significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy. The Company estimated the fair value of the warrants using the Black-Scholes option pricing model.

The significant inputs used in the valuation models to measure the fair value of the warrants are as follows:

	Valuation Date	
	December 31, 2025	December 31, 2024
Common stock price	$28.40	$29.55
Risk-free rate	3.68%	4.40%
Expected term (in years)	4.47	5.47
Expected volatility	103.2%	94.6%
Dividend yield	0.0%	0.0%

The following table presents the changes in the fair value of Level 3 liabilities for the year ended December 31, 2025 (in thousands):

	Warrant Liability
Balance at December 31, 2024	$ 3,811
Change in fair value of warrant liability	(295)
Balance at December 31, 2025	$ 3,516

Changes in the fair value of the liability-classified warrants are recognized within the gain on warrant liability, a component of other income (expense) in the consolidated statements of operations and comprehensive loss.

PPAs Liability

As of December 31, 2025, Level 3 liabilities include the Pre-Paid Advance issued to the Company in November 2025 (as further described in Note 7), for which the Company elected the fair value option.

The Pre-Paid Advance is classified within Level 3 of the fair value hierarchy as the fair value is derived using a Monte Carlo simulation model in a risk neutral framework, which uses significant unobservable inputs. The significant assumptions used in the valuation model include volatility, expected term, risk-free rates, and credit-adjusted discount rates.

The following table presents the changes in the fair value of Level 3 liabilities for the year ended December 31, 2025 (in thousands):

	PPAs Liability
Balance at December 31, 2024	$ —
Issuance of Pre-Paid Advance	7,125
Partial conversion of Pre-Paid Advance into common stock	(3,389)
Change in fair value of PPAs liability	406
Balance at December 31, 2025	$ 4,142

Changes in the fair value of the Pre-Paid Advance are recognized within the loss on PPAs liability, a component of other income (expense) on the consolidated statements of operations and comprehensive loss.

5. Leases

The Company has a single operating lease for its corporate headquarters and laboratory space in San Diego, California. In June 2025, the Company entered into an amendment to the lease which reduced the leased space and extended the lease term for the remaining space through November 2030. Pursuant to the amended lease, the Company also has a one-time option to extend the lease term by an additional three years. The amended lease includes certain rent abatement, rent escalations, tenant improvement allowances and additional charges for common area maintenance and other costs.

Under the relevant guidance, the Company reassessed the lease classification and remeasured the lease liability as of the effective date of modification and recognized a lease liability and ROU asset of approximately $6.0 million on the Company's consolidated balance sheets.

The components of lease expense included in the Company's consolidated statements of operations and comprehensive loss include (in thousands):

	Years ended December 31,	
	2025	2024
Operating lease expense	$ 1,311	$ 1,043
Variable lease expense	568	689
Total lease expense, net	$ 1,879	$ 1,732

Variable lease costs are primarily related to payments made to lessors for common area maintenance, property taxes, insurance, and other operating expenses. The Company did not have any short-term leases or finance leases for the years ended December 31, 2025 and 2024.

The weighted average remaining lease term and weighted average discount rate for operating leases were as follows:

	December 31,	
	2025	2024
Weighted average remaining lease term (in years)	4.9	0.5
Weighted average discount rate percentage	9.00%	3.50%

Supplemental cash flow information related to leases under which the Company is the lessee was as follows (amounts in thousands):

	Years ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of operating leases	$ 967	$ 1,685

Maturities of operating lease liabilities as of December 31, 2025 were as follows (in thousands):

Years ending December 31:	Operating lease
2026	$ 1,484
2027	1,528
2028	1,574
2029	1,621
2030	1,529
Total future lease payments	7,736
Less imputed interest	(1,536)
Total operating lease liabilities	$ 6,200

6. Commitments and Contingencies

From time to time, the Company may be subject to various claims and suits arising in the ordinary course of business. The Company is not currently a party to any legal proceedings the outcome of which the Company believes, if determined adversely to the Company, would individually or in the aggregate have a material adverse effect on the Company's business, operating results or financial condition.

7. Pre-Paid Advance

In November 2025, the Company closed on the PPAs with YA II PN, Ltd. ("Yorkville"), Anson Investments Master Fund LP and Anson East Master Fund LP (collectively, the "Anson Funds" and together with Yorkville, the "Investors"). Pursuant to the PPAs, the Investors agreed to provide the Company with the Pre-Paid Advance consisting of an aggregate principal amount of $7.5 million, at a purchase price equal to 95% of the face amount. The purchase resulted in gross proceeds to the Company of $7.13 million.

The Pre-Paid Advance matures on November 21, 2026, and accrues interest at 4% per annum, subject to an increase to 18% upon certain Events of Default (as defined in the PPAs). The Company may, at its option, on any date the VWAP of the Company's common stock is less than the Fixed Price, prepay all or part of the outstanding Pre-Paid Advance, plus a 10% premium and any accrued and unpaid interest.

The Pre-Paid Advance may be repaid in cash or, at each Investor's option via written notice (each, a "Purchase Notice"), converted into shares of the Company's common stock at a purchase price per share equal to the lower of (a) $69.50 (the "Fixed Price") and (b) 95% of the lowest daily volume weighted average price ("VWAP") of the Company's common stock for the seven trading days preceding the Purchase Notice (such price, the "Market Price"), at all times subject to a floor of $11.50 (the "Floor Price"). The Investors may also elect to use the Fixed Price in any Purchase Notice even if it is greater or less than the Market Price.

The issuance of shares under the PPAs is subject to further limitations and conditions, including that the shares of common stock beneficially owned by each Investor and its affiliates at any one time will not exceed 4.99% of the then-outstanding shares of the Company's common stock. Pursuant to the rules of The Nasdaq Capital Market, the total aggregate number of shares issuable under the terms of the PPAs and the SEPA (as defined in Note 8) was initially limited to a number equivalent to 19.99% of the outstanding shares of the common stock as of November 17, 2025 (the "Exchange Cap"). On December 30, 2025, the Company's stockholders' approved the issuance of shares under the PPAs and the SEPA in excess of the Exchange Cap.

In the event certain events occur, including (i) the failure to maintain a closing stock price greater than the Floor Price for any five of seven consecutive trading days, (ii) any of the shares to be issued pursuant to the PPAs are not eligible to be sold pursuant to an effective registration statement for a period of 10 consecutive trading days or (iii) the Company has issued substantially all of the shares available under the Exchange Cap (as defined below) (the date on which any event described in (i) through (iii) occurs, the "Amortization Event Date"), the Company will be required to make monthly cash payments equal to the lesser of 18% of each Investor's respective initial Pre-Paid Advance amount, or the outstanding principal balance of such Pre-Paid Advance on the Amortization Event Date, plus a 10% payment premium and any accrued and unpaid interest. Such payments will continue until either all amounts outstanding under the Pre-Paid Advance are paid in full or certain cure conditions have been met.

As a result of the Company's election to account for the Pre-Paid Advance under the fair value option in ASC 825, the Pre-Paid Advance was initially recorded at fair value at issuance and is remeasured to fair value at each reporting date, with changes in fair value recognized in earnings within the loss on PPAs liability on the consolidated statements of operations and comprehensive loss. The Company estimates the fair value of the Pre-Paid Advance using the Monte Carlo simulation model, which uses significant unobservable inputs (Level 3). See Note 4 for significant assumptions used in determining the fair value.

The Company incurred issuance costs of $0.7 million, which were expensed as incurred, as required under the fair value option, and such costs are presented within other income (expense) on the consolidated statements of operations and comprehensive loss.

From the issuance date to December 31, 2025, the Company issued common stock to the Investors in settlement of approximately $3.1 million in principal and accrued interest under the Pre-Paid Advance. The remaining principal and accrued interest under the Pre-Paid Advance has been converted into common stock as of March 2026 (refer to Note 14).

As of December 31, 2025, the outstanding principal balance of the Pre-Paid Advance was $4.5 million. The Pre-Paid Advance had a fair value of $4.1 million as of that date and is classified as a current obligation in the accompanying consolidated balance sheets.

8. Stockholders' Equity

Description of securities of Delaware corporation

The Company is authorized to issue 200,000,000 shares of preferred stock, par value $0.0001 per share, 350,000,000 shares of common stock, par value $0.0001 per share, and 15,368,569 shares of Class B common stock, par value $0.0001 per share.

Dividends

Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of the Company's common stock and Class B common stock are entitled to receive dividends only if declared from time to time by the Company's board of directors out of assets which are legally available.

Liquidation preferences

Upon any liquidation, dissolution or winding-up of the Company, holders of the Company's common stock and Class B common stock are entitled to share ratably in all assets remaining after payment of all liabilities and the liquidation preferences of any of our outstanding shares of preferred stock.

Conversion

Holders of the Company's common stock have no conversion rights, while holders of the Company's Class B common stock shall have the right to convert each share of Class B common stock into one share of common stock at such holder's election, provided that as a result of such conversion, such holder would not beneficially own in excess of 4.99% of any class of the Company's securities registered under the Securities Exchange Act of 1934, as amended, unless otherwise as expressly provided for in the Company's amended and restated certificate of incorporation. This ownership limitation may be increased or decreased to any other percentage designated by such holder of Class B common stock upon 61 days' notice to the Company.

Voting rights

Except as otherwise expressly provided in the Company's amended and restated certificate of incorporation or as required by applicable law, on any matter that is submitted to a vote by the Company's stockholders, holders of the Company's common stock are entitled to one vote per share of common stock, and holders of the Company's Class B common stock are not entitled to any votes per share of Class B common stock, including for the election of directors.

November 2025 Standby Equity Purchase Agreement

In November 2025, in connection with the entry into the PPAs (as defined in Note 1), the Company entered into a Standby Equity Purchase Agreement (the "SEPA") with Yorkville pursuant to which the Company has the right to sell to Yorkville up to $15.0 million of shares of common stock (the "Commitment Amount", and such shares, the "SEPA Shares"), over a 36-month period. Sales of SEPA Shares to Yorkville and the timing of any such sales are at the Company's option, and the Company is under no obligation to sell such shares to Yorkville. The SEPA will automatically terminate on the earliest to occur of (i) the 36-month anniversary of the effective date or (ii) the date on which Yorkville has purchased SEPA Shares equal to the Commitment Amount. The Company has the right to terminate the SEPA at no cost or penalty with five trading days' written notice. The Company and Yorkville may also agree to terminate the SEPA by mutual written consent.

Each advance (each, a "SEPA Advance") the Company requests from Yorkville may be for a number of SEPA Shares up to 100% of the average daily trading volume of the Company's common stock on The Nasdaq Capital Market during the five trading days immediately prior to the date of the Company's request. The SEPA Shares delivered by the Company will be purchased by Yorkville at a price equal to 97% of the lowest daily VWAP of the Company's common stock during the three trading days prior to the request, subject to a minimum price that may be specified in the Company's request.

The Company may not request a SEPA Advance until all amounts outstanding under the Pre-Paid Advance (as defined in Note 1) have been repaid in full, unless an Amortization Event (as defined in Note 7) has occurred and is continuing, provided that all proceeds from any such SEPA Advance are used to repay the obligations outstanding under the Pre-Paid Advance.

The issuance of shares under the SEPA is subject to further limitations and conditions, including that the shares of common stock beneficially owned by each Investor and its affiliates at any one time will not exceed 4.99% of the then-outstanding shares of the Company's common stock. Pursuant to the rules of The Nasdaq Capital Market, the total aggregate number of shares issuable under the terms of the PPAs (as defined in Note 7) and the SEPA was initially limited to a number equivalent to 19.99% of the outstanding shares of the common stock as of November 17, 2025 (the "Exchange Cap"). On December 30, 2025, the Company's stockholders approved the issuance of shares under the PPAs and the SEPA in excess of the Exchange Cap.

As consideration for Yorkville's commitment to purchase SEPA Shares, the Company paid Yorkville a cash structuring fee and issued 4,868 shares of common stock to Yorkville. Such fees, totaling approximately $0.3 million, were expensed as incurred and are presented as a component of other income (expense) on the consolidated statements of operations and comprehensive loss. During the year ended December 31, 2025, no SEPA Shares were sold under the SEPA.

December 2024 Offering and Warrant Issuance

In December 2024, the Company closed on an offering (the "December 2024 Offering") of 193,581 shares of common stock at a price of $47.60 per share with accompanying warrants to purchase up to 193,581 shares of common stock, which have an exercise price of $59.50 per share (the "Warrants"). The gross proceeds from the December 2024 Offering were approximately $9.2 million, before deducting $0.7 million of placement agent fees and other offering expenses payable by the Company. As discussed in Note 4, the Company recorded a liability at fair value related to the issuance of the Warrants, with changes in fair value each reporting period recognized as a component of other income (loss) in the Company's consolidated statements of operations and comprehensive loss. The accompanying Warrants became exercisable on June 20, 2025 and will expire five years from the date of initial exercisability. There were 193,581 Warrants outstanding and exercisable at December 31, 2025.

2020 Equity Incentive Plan

On October 29, 2020, the Company's board of directors approved the adoption of the BioAtla, Inc. 2020 Equity Incentive Plan (the "2020 Plan") and approved certain amendments to the 2020 Plan in December 2020. The Company's stockholders approved the 2020 Plan, as amended, in December 2020. Under the 2020 Plan, the Company may grant awards of common stock to the Company's employees, consultants and non-employee directors pursuant to option awards, stock appreciation rights awards, restricted stock awards, restricted stock unit awards, performance stock awards, performance stock unit awards and other stock-based awards. As of December 31, 2025 and 2024, the total number of common shares authorized for issuance under the 2020 Plan was 245,477 and 214,708, respectively. On January 1st of each year, commencing with the first January 1st following the effective date of the 2020 Plan, the shares authorized for issuance under the 2020 Plan shall be increased by the number of shares equal to the lesser of 4% of the total number of shares outstanding on the immediately preceding December 31st and such lesser number of shares determined by the Company's board of directors. The maximum term of the options granted under the 2020 Plan is no more than ten years. Awards under the 2020 Plan generally vest at 25% one year from the vesting commencement date and ratably each month thereafter for a period of 36 months, subject to continuous service.

On February 26, 2023, the Compensation Committee of the Company's board of directors approved a modification to the Company's 2020 Plan to allow vesting of RSUs or stock options, as applicable, subject to the grantee's continued service to the Company and/or one of its subsidiaries as an employee, non-employee director, or independent contractor.

Stock-based compensation expense recognized for all equity awards under the 2020 Plan has been reported in the consolidated statements of operations and comprehensive loss as follows (in thousands):

	Years ended December 31,	
	2025	2024
Research and development	$ 2,199	$ 4,238
General and administrative	3,235	4,683
Total	$ 5,434	$ 8,921

Restricted Stock Units

The following table summarizes RSU activity under the 2020 Plan for the year ended December 31, 2025:

	Number of Shares	Weighted - Average Grant Date Fair Value
Outstanding at December 31, 2024	31,060	$ 124.00
Granted	37,260	$ 16.00
Vested	(14,565)	$ 119.00
Forfeited	(5,077)	$ 54.50
Outstanding at December 31, 2025	48,678	$ 50.00

As of December 31, 2025, total unrecognized stock-based compensation expense for RSUs was $2.2 million, which is expected to be recognized over a remaining weighted-average period of approximately 2.7 years.

Stock Options

The following table summarizes stock option activity under the 2020 Plan for the year ended December 31, 2025:

	Number of Options	Weighted - Average Exercise Price Per Share	Weighted - Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2024	121,920	$ 382.50	7.59	$ —
Granted	180	$ 34.00		
Exercised	—	$ —		
Forfeited	(3,011)	$ 277.00		
Expired	(1,507)	$ 424.00		
Balance at December 31, 2025	117,582	$ 384.00	6.43	$ —
Vested and expected to vest at December 31, 2025	117,582	$ 384.00	6.43	$ —
Exercisable at December 31, 2025	97,973	$ 421.00	6.29	$ —

As of December 31, 2025, total unrecognized stock-based compensation cost for unvested common stock options was $2.7 million, which is expected to be recognized over a remaining weighted-average period of approximately 1.1 years. The weighted- average grant date fair value of stock options granted during the years ended December 31, 2025 and 2024 was $25.50 per share and $102.00 per share, respectively. The total fair value of options vested during the years ended December 31, 2025 and 2024 was $4.3 million and $9.7 million, respectively. Upon option exercise, the Company issues new shares of its common stock.

The assumptions used in the Black-Scholes option pricing model to determine the fair value of stock option grants were as follows:

	Years ended December 31,	
	2025	2024
Expected volatility	95.3%	88.7%
Risk-free interest rate	3.65%	4.25%
Expected dividend yield	0.0%	0.0%
Expected term	5.29 years	5.95 years

Expected volatility. As the Company's common stock does not have a significant trading history, the expected volatility assumption is based on volatilities of a peer group of similar companies whose share prices are publicly available. The peer group was developed based on companies in the biotechnology industry.

Risk-free interest rate. The Company bases the risk-free interest rate assumption on the U.S. Treasury's rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued.

Expected dividend yield. The Company bases the expected dividend yield assumption on the fact that it has never paid cash dividends and has no present plans to pay cash dividends.

Expected term. For employees, the expected term represents the period of time that options are expected to be outstanding. Because the Company has minimal historical exercise behavior, it determines the expected life assumption using the simplified method, which is an average of the contractual term of the option and its vesting period. For nonemployees, the expected term is generally the contractual term of the option.

Employee Stock Purchase Plan

In December 2020, the Company's board of directors and stockholders approved the BioAtla, Inc. Employee Stock Purchase Plan (the "ESPP"). The ESPP permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation. As of December 31, 2025 and 2024, a total of 60,717 shares and 45,632 shares, respectively, of common stock were authorized for issuance under the ESPP. The number of shares of common stock authorized for issuance will automatically increase on January 1 of each calendar year, from January 1, 2021 through January 1, 2030 by the least of (i) 1.0% of the total number of common shares of our common stock outstanding on December 31 of the preceding calendar year (calculated on a fully diluted basis), (ii) 18,593 common shares or (iii) a number determined by the Company's board of directors that is less than (i) and (ii). The Company issued 5,136 and 5,308 shares of common stock under the ESPP during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, 43,786 shares of common stock remained available for issuance under the ESPP. Stock-based compensation expense related to the ESPP for the twelve months ended December 31, 2025 and 2024 was $0.1 million and $0.2 million, respectively.

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance are as follows in common equivalent shares:

	December 31,	
	2025	2024
Warrants for the purchase of common stock	193,581	193,581
Common stock options and restricted stock units issued and outstanding	166,257	152,980
Awards available for future issuance under the 2020 Plan	26,013	23,086
Awards available for future issuance under the ESPP	43,786	33,837
Shares available for future conversions of PPAs	136,923	—
Total common stock reserved for future issuance	566,560	403,484

9. Collaboration, License and Option Agreements

Global Co-Development and Collaboration Agreement with BeOne Medicines

In April 2019, the Company entered into a Global Co-Development and Collaboration agreement (the "BeOne Collaboration") with BeOne Medicines Ltd., formerly BeiGene Ltd. ("BeOne"), for the development, manufacturing and commercialization of evalstotug (BA3071). The BeOne Collaboration was amended several times between 2019 and 2021 and the Company received a total of $25.0 million in non-refundable payments from BeOne during that time.

In November 2021, the BeOne Collaboration was terminated, subject to survival of certain provisions, and BeOne handed back rights to know-how and materials received under the amended BeOne Collaboration. As a result, the Company is responsible for the global development and commercialization of evalstotug. As consideration for this amendment, the Company agreed to pay BeOne mid-single digit royalties on sales worldwide and on a limited basis will share in any upfront and milestone payments received through a sublicense of evalstotug. The Company reclassified its then remaining $19.8 million of deferred revenue as a long-term liability which is expected to settle as licensing payments are made to BeOne in accordance with the resulting amendment. In the event the license is terminated, the liability will be extinguished with no further payment to BeOne.

The Company did not recognize any revenue related to the collaboration agreement with BeOne during the years ended December 31, 2025 and 2024. The Company had a $19.8 million liability to licensor as of December 31, 2025 and 2024.

Collaboration and Supply Agreement with Bristol-Myers Squibb

In January 2022, the Company and Bristol-Myers Squibb Company ("BMS") entered into a clinical trial collaboration and supply agreement (the "BMS Agreement"). Under the terms of the BMS Agreement, BioAtla and BMS collaborate on clinical trials of separate combination therapies using two of BioAtla's CAB ADCs, mecbotamab vedotin (BA3011) and ozuriftamab vedotin (BA3021), each in combination with Opdivo® (nivolumab), BMS' proprietary anti-PD-1 monoclonal antibody product. The Company serves as the study sponsor of the scheduled studies and is responsible for costs associated with the trial execution. BMS provides Opdivo® clinical drug supply at no cost for the combination study trials. After the completion of the combination therapy trials, the Company is obligated to provide BMS with a final report of the data resulting from the trial. The BMS Agreement was amended in October 2022 to include additional territories for the Company's mecbotamab vedotin and ozuriftamab vedotin combination study trials. There was no impact to the Company's financial results for the years ended December 31, 2025 or 2024 as a result of this agreement.

License Agreement with Context Therapeutics Inc.

In September 2024, the Company entered into a License Agreement (the "Context License Agreement") with Context Therapeutics Inc. ("Context"). Under the terms of the Context License Agreement, BioAtla granted Context an exclusive, worldwide license to develop, manufacture and commercialize two licensed antibodies, including BA3362 (renamed by Context as CT-202), the Company's Nectin-4 x CD3 T cell engaging ("TCE") bispecific antibody (the "License"). The Company also transferred know-how, including any necessary materials Context would need to perform research and development. In exchange for the License, the Company is eligible to receive up to $133.5 million in aggregate payments, including an upfront cash payment and potential development, regulatory and commercial milestones, as well as tiered mid-single digit to low double-digit royalties on future net sales of the products. In connection with the execution of the Context License Agreement, the Company also entered into an agreement with Himalaya Therapeutics SECZ, a related party (See Note 10).

A single performance obligation was identified under the Context License Agreement comprised of BioAtla's promise to transfer the License. Context is responsible for developing BA3362 and for global regulatory filings and commercialization. Context will bear all costs associated with the research, development, and commercialization of any products.

In accordance with Topic 606, the Company determined the transaction price of the agreement is limited to the up-front payment received, and excluded the variable consideration of development and sale milestone payments and royalties as they are fully constrained. As part of the Company's evaluation of the milestone constraints, the Company determined the achievement of such milestones are contingent upon success in future developments, regulatory approvals and commercial activities, which are not within its control and are uncertain at this stage. Variable consideration related to royalties will be recognized when the related sales occur. Further, the Company determined that there were no significant financing components, noncash consideration, or amounts that may be refunded to the customer.

Management determined that the transfer of the License did not meet any of the criteria for recognizing revenue over time, and therefore revenue was recognized at the point in time that the Context License Agreement was executed and the License was transferred to Context. Additional revenue will be recognized for development milestone payments, the sales milestone payments, and the royalty payments if and when the constraints are resolved. In November 2025, the Company received the first $2.0 million milestone payment under the Context License Agreement for progress with their CAB-Nectin-4 x CD3 TCE. All other variable consideration remains fully constrained as of December 31, 2025.

The Company recognized $2.0 million and $11.0 million of revenue related to the Context License Agreement for the years ended December 31, 2025 and 2024, respectively, included in Collaboration and Other Revenue.

10. Related Party Transactions

Inversagen, LLC

On March 15, 2019, the Company entered into an Exclusive License Agreement with Inversagen (the "Inversagen License"). Under the terms of the agreement, Inversagen acquired the rights to CAB-antibodies for the field of diseases associated with aging, outside of cancer, and an immuno-oncology antibody. The Company may perform development services under the agreement and will be reimbursed by Inversagen for its costs. Commencing on the first commercial sale of the CAB-antibodies and immuno-oncology antibody subject to the Inversagen License, Inversagen will pay the Company milestone payments and royalties, which represent a variable interest held by the Company. On July 7, 2020, the Company and Inversagen entered into the First Amendment to Exclusive License Agreement ("Amended Inversagen License"), which grants the Company an option for a period of 10 years to acquire the immuno-oncology antibody in return for royalty payments in the low-single digits during the applicable royalty term. No payments have been made to date.

Inversagen has only nominal assets and liabilities and is a VIE as the entity lacks sufficient equity to finance its activities without additional subordinated financial support. The Company does not consolidate Inversagen as it is not the primary beneficiary; the Inversagen License and the Amended Inversagen License did not and do not provide the Company with any decision-making power over the activities that are most significant to the entity's economic success, such as the direction of its development efforts or the search for or terms of any future financing arrangements. The Company has no equity interest in Inversagen, and no exposure to its losses. The Company has not provided any services to Inversagen, has not provided any support to Inversagen and has no obligation to do so, and Inversagen's creditors have no recourse to the general credit of the Company. The Company does not have any assets or liabilities associated with its variable interest in Inversagen at December 31, 2025 and 2024.

Inversagen is a related party of the Company. Dr. Jay Short and his spouse serve as managers of Inversagen.

BioAtla Holdings, LLC

Effective January 1, 2020, the Company entered into an Exclusive License Agreement (the "BioAtla Holdings License") with BioAtla Holdings, LLC. Under the terms of the agreement, BioAtla Holdings acquired the rights to CAB antibodies for certain targets in the field of Adoptive Cell Therapy (CAR-T format) in exchange for potential royalty payments on future net sales. On July 7, 2020, the Company and BioAtla Holdings entered into the First Amendment to Exclusive License Agreement (the "Amended BioAtla Holdings License"), which grants the Company an option for a period of 10 years to acquire the ACT Preparations and ACT Treatments in return for royalty payments in the low-single digits during the applicable royalty term. The Company has not exercised its option and no payments have been made to date under these agreements.

In addition, effective January 1, 2020, the Company entered into a Royalty Sharing Agreement whereby the Company agreed to share with BioAtla Holdings 50% of the royalties it receives from its Exclusive License Agreement with EXUMA Biotech Corp.

BioAtla Holdings is a variable interest entity as it does not have sufficient equity to finance its activities without additional subordinated financial support. The royalty payments and option to acquire assets represent variable interests held by the Company in BioAtla Holdings. The Company is not the primary beneficiary of BioAtla Holdings, however, as the BioAtla Holdings License and Amended BioAtla Holdings License did not and do not provide the Company with any decision-making power over the activities that are most significant to the entity's economic success, such as the direction of its development efforts or the search for or terms of any future financing arrangements. The Company has no equity interest in BioAtla Holdings, and no exposure to its losses. BioAtla Holdings is currently inactive, and the Company has not provided any support to BioAtla Holdings and has no obligation to do so, and BioAtla Holdings' creditors have no recourse to the general credit of the Company. The Company does not have any assets or liabilities associated with its variable interests in BioAtla Holdings at December 31, 2025 and 2024.

BioAtla Holdings is a related party of the Company. Dr. Jay Short and his spouse serve as managers of BioAtla Holdings.

Himalaya Therapeutics SEZC

Exclusive Rights Agreement

On January 1, 2020, the Company entered into an Amended and Restated Exclusive Rights Agreement (the "Amended Rights Agreement") with Himalaya Therapeutics SEZC. Under the terms of the Amended Rights Agreement, Himalaya Therapeutics SEZC acquired the rights to 10 CAB-antibodies for the territory of China, Macao, Hong Kong and Taiwan, global rights to a CAB-HER2-bispecific-antibody and global co-development rights with the Company to an IL-22 non-CAB-antibody. Payments to the Company may include upfront payments, milestone payments and double digit royalties, which represent a variable interest held by the Company, but no payments have been made to the Company to date.

Himalaya Therapeutics SEZC is a VIE as it does not have sufficient equity to finance its activities without additional subordinated financial support. The Company is not obligated to provide financial support to Himalaya Therapeutics SEZC. The Company is not the primary beneficiary of Himalaya Therapeutics SEZC, however, as the Amended Rights Agreement does not provide BioAtla, Inc. with the power to direct activities of a VIE that most significantly impact the VIE's economic performance, such as decision-making power over the direction of its development efforts or the search for or terms of any future financing arrangements. The Company does not have any assets or liabilities recorded at December 31, 2025 and 2024 associated with its variable interest in Himalaya Therapeutics SEZC, and has no exposure to Himalaya Therapeutics SEZC losses.

Himalaya Therapeutics SEZC is a related party as Dr. Jay Short and his spouse serve as directors, and Dr. Short's spouse also serves as an officer of such entity.

Clinical Trial Services Agreement

In January 2024, the Company entered into an amended Clinical Trial Services Agreement (as so amended, the "Clinical Trial Services Agreement") with Himalaya Therapeutics SEZC ("Himalaya"). Under the Clinical Trial Services Agreement, BioAtla paid Himalaya for services related to the initiation of clinical trials for evalstotug in China for a period of 12 months. All payments have been made under the Clinical Trial Services Agreement as of December 31, 2024.

Global Transaction Agreement

In September 2024, the Company entered into a Global Transaction Agreement (the "Himalaya Agreement") with Himalaya. BioAtla and Himalaya had previously entered into an Amended and Restated Exclusive Rights Agreement (the "Amended Rights Agreement") in January of 2020. Pursuant to the Amended Rights Agreement, Himalaya controls rights to develop, manufacture and commercialize certain assets, including BA3362 which was licensed to Context (see Note 9), in certain territories as further specified in the Amended Rights Agreement. Pursuant to the Himalaya Agreement, Himalaya consented to BioAtla's execution and performance of the Agreement, and granted to BioAtla an exclusive, worldwide, sublicensable license for those impacted products and intellectual property. Further, as set forth in the Amended Rights Agreement and further clarified in the Himalaya Agreement, BioAtla agreed to pay, subject to any applicable tax withholdings, to Himalaya (i) a mid-teens percentage of all upfront payments and development milestones received by BioAtla from Context under the Context License Agreement; and (ii) a specified percentage of any and all sales milestones and/or royalties based upon Net Sales (as defined in the Context License Agreement) in the People's Republic of China and the Special Administrative Regions of Hong Kong, Macao and Taiwan that BioAtla receives from Context under the Context License Agreement.

The Company is the principal in the Context License Agreement and in the Himalaya Agreement, and will record revenues and expenses on a gross basis given that the Company had full discretion in setting consideration pricing in the Context License Agreement, the Company will be primarily responsible for providing the License, and Himalaya has no obligation to be a part of any of the fulfillment activities.

For the year ended December 31, 2025, the Company recognized $0.3 million related to the transactions with Himalaya, compared to $2.2 million for the year ended December 31, 2024. The Company did not have any amounts due from or due to Himalaya as of December 31, 2025 or 2024.

Himalaya Parent LLC

Dr. Jay Short and his spouse serve as managers of Himalaya Parent LLC. The Company does not have a variable interest in Himalaya Parent LLC.

BA 3021 SPV, LLC

BA 3021 SPV LLC, a Delaware limited liability company (the "SPV"), was incorporated in December 2025. However, the Company has not yet completed the legal steps required to form the new entity as a wholly owned subsidiary, and the new entity has not issued any common units or finalized its limited liability company agreement as of December 31, 2025. The Company determined that BioAtla is the primary beneficiary of the SPV as of December 31, 2025.

11. 401(k) Plan

The Company maintains a defined contribution 401(k) plan available to eligible employees. Employee contributions are voluntary and are determined on an individual basis, limited to the maximum amount allowable under federal tax regulations. The Company, at its discretion, may make certain matching contributions to the 401(k) plan. To date, the Company has not made any matching contributions.

12. Income Taxes

A reconciliation of income tax expense computed at the U.S. federal statutory income tax rate to the Company's income tax expense is as follows (in thousands):

	Year Ended December 31, 2025	
	Amount	%
Tax computed at the federal statutory rate	$ (12,518)	21.0%
State and local income taxes, net of federal income tax effect [1]	—	—%
Tax credits:		
Research and development credit	(1,279)	2.1%
Orphan drug credit	(533)	0.9%
Change in valuation allowance	12,829	(21.5)%
Non-taxable or nondeductible items:		
Permanent items	117	(0.2)%
Equity compensation	403	(0.7)%
Nondeductible officer's compensation	981	(1.6)%
Changes in unrecognized tax benefits	—	—%
Other, net	—	—%
Provision for income taxes	$ —	—%

(1) The state that contributes to the majority (greater than 50%) of the tax effect in this category was California for year ending December 31, 2025.

As previously disclosed prior to the adoption of ASU 2023-09, a reconciliation of the income tax expense computed at the U.S. federal statutory income tax rate to the Company's income tax expense is as follows (in thousands):

	Year Ended December 31, 2024
Tax computed at the federal statutory rate	$ (14,653)
State income taxes, net of federal tax benefit	(49)
Nondeductible executive compensation	369
Stock-based compensation	294
Research and development and orphan drug credits	(3,789)
Uncertain tax positions	947
Other, net	(132)
Valuation allowance	17,013
Income tax expense	$ —

For the year ended December 31, 2025, the Company's loss was entirely domestic. No current or deferred income tax expense was incurred and no cash income taxes were paid during the year ended December 31, 2025.

The Company's net deferred tax assets (liabilities) are as follows (in thousands):

	Years Ended December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 51,463	$ 33,799
Liability to licensor	4,159	4,159
Goodwill	2,427	2,683
Lease liability	1,302	176
Accrued compensation	—	556
Research credit carryforwards	15,424	13,221
Section 174 cost capitalization	30,808	36,951
Section 59(e) cost capitalization	6,300	7,350
Stock-based compensation	3,635	3,938
Deferred gain	1,491	—
Fixed assets	4	—
Other	81	5
Gross deferred tax assets	117,094	102,838
Less: valuation allowance	(115,932)	(102,655)
Total deferred tax assets	1,162	183
Deferred tax liabilities:		
Fixed assets	—	(75)
Operating lease right-of-use asset	(1,162)	(108)
Total deferred tax liabilities	(1,162)	(183)
Net deferred tax assets	$ —	$ —

A valuation allowance of approximately $115.9 million as of December 31, 2025 has been established to offset the deferred tax assets as the Company has determined that it is not more likely than not that these assets will be realized. The valuation allowance increased by approximately $13.3 million during 2025.

At December 31, 2025, the Company had federal and state net operating loss carryforwards of approximately $244.4 million and $2.2 million, respectively. The federal net operating loss and approximately $1.1 million of state net operating losses can be carried forward indefinitely, subject to an 80% limitation against taxable income. The remaining state net operating losses of approximately $1.1 million will begin to expire in 2042, unless previously utilized.

At December 31, 2025, the Company had federal and California research and development credit carryforwards of approximately $11.8 million and $4.0 million, respectively. The federal credit carryforwards will begin to expire in 2040, unless previously utilized. The California credits will carry forward indefinitely.

At December 31, 2025, the Company also had federal orphan drug credit carryforwards of approximately $5.6 million. The orphan drug credit carryforwards will begin to expire in 2041, unless previously utilized.

Pursuant to Internal Revenue Code ("IRC") Sections 382 and 383, annual use of the Company's net operating loss carryforwards may be limited in the event a cumulative change in ownership of more than 50% occurs within a three-year period. The Company has not completed an ownership change analysis pursuant to IRC Section 382. If ownership changes within the meaning of IRC Section 382 are identified as having occurred, the amount of remaining tax attribute carryforwards available to offset future taxable income and income tax expense in future years may be significantly restricted or eliminated. Further, the Company's deferred tax assets associated with such tax attributes could be significantly reduced upon realization of an ownership change within the meaning of IRC Section 382.

Under the FASB's accounting guidance related to income tax positions, among other things, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, the guidance provides further clarification on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition. The Company regularly evaluates the likelihood of recognizing the benefit for income tax positions taken in various federal and state filings by considering all relevant facts, circumstances, and information available.

A reconciliation of the beginning and ending unrecognized tax benefit amount is as follows (in thousands):

	Years Ended December 31,	
	2025	2024
Unrecognized tax benefits - beginning	$ 4,582	$ 3,602
Gross increases - tax positions in prior period	52	—
Gross increase – current-period tax positions	717	980
Unrecognized tax benefits - ending	$ 5,351	$ 4,582

As of December 31, 2025, the Company had gross unrecognized tax benefits of approximately $5.4 million, none of which would affect the Company's effective tax rate due to the existence of the valuation allowance. The Company's policy is to recognize interest and penalties related to income tax matters in income tax expense. The Company had no accrual for interest or penalties on the Company's consolidated balance sheets and has not recognized interest or penalties in the consolidated statements of operations and comprehensive income for the year ended December 31, 2025.

The Company is subject to taxation in the United States and various state jurisdictions. The Company is subject to examination by tax authorities in those jurisdictions since 2022 and 2021, respectively, and forward. However, to the extent allowed by law, the taxing authorities may have the right to examine periods where NOLs and research and development credits were generated and carried forward, and make adjustments to the amount of the NOL and research credits carryforward amount. The Company is not currently under examination by any jurisdiction.

On July 4, 2025, the One Big Beautiful Bill Act (the "Act") was signed into law. The Act reinstates and makes permanent 100% first-year bonus depreciation under Section 168(k) for qualified property acquired and placed in service after January 19, 2025. Additionally, the Act permanently allows immediate expensing of domestic research and experimentation expenditures under Section 174 for tax years beginning after December 31, 2024. The Company has reflected the effects of the Act in its income tax provision in accordance with ASC 740 and there was no material impact.

13. Segment Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company is a clinical-stage biopharmaceutical company and has not generated any product revenue from its CAB antibody-based products. The Company's operations are organized and reported as a single reportable segment, which includes all activities related to the discovery, development, and commercialization of its CAB products. The Company's CODM, its chief executive officer, reviews operating results on an aggregate basis and manages the operations as a single operating segment. The measure of segment assets is reported on the consolidated balance sheets as total assets. The CODM evaluates performance and allocates resources based on consolidated net income or loss that also is reported on the consolidated statements of operations and comprehensive loss as net loss, and cash used in operations.

The following table provides R&D expenses by program with a reconciliation to net loss for the periods indicated, which are regularly reviewed by the CODM:

	Years Ended December 31,	
	2025	2024
	(in thousands)	
Collaboration and other revenue	$ 2,000	$ 11,000
Program expenses:		
Mecbotamab vedotin, BA3011 (CAB AXL-ADC)	7,848	12,934
Ozuriftamab vedotin, BA3021 (CAB ROR2-ADC)	5,446	8,962
Evalstotug, BA3071 (CAB CTLA-4)	5,026	9,103
BA3182 (CAB EpCAM x CAB CD3)	7,869	5,111
Other CAB Programs	3,768	6,912
Total program expenses	29,957	43,022
Personnel and related	8,180	12,082
Equity-based compensation	2,199	4,238
Facilities and other	3,237	3,753
Total research and development expenses	43,573	63,095
General and administrative expenses		
Personnel and related	5,286	7,213
Equity-based compensation	3,235	4,683
Facilities and other	9,211	9,952
Total general and administrative expenses	17,732	21,848
Interest and other income (expense)	(302)	4,167
Net loss and comprehensive loss	$ (59,607)	$ (69,776)

14. Subsequent Events

In connection with the preparation of the consolidated financial statements as of and for the year ended December 31, 2025, the Company has completed an evaluation of all subsequent events through March 31, 2026, which represents the date the consolidated financial statements were issued, for events requiring adjustment to or disclosure in the financial statements. The Company has further evaluated subsequent events for disclosure purposes through October 19, 2026. Except as described below or elsewhere in these consolidated financial statements, the Company has concluded that no subsequent event has occurred that requires disclosure or adjustment to the financial statements.

Pre-Paid Advance

The outstanding principal balance of $4.5 million as of December 31, 2025 under the Pre-Paid Advance was fully converted into common stock subsequent to the balance sheet date.

SEPA

As of March 31, 2026, 48,092 SEPA shares had been sold under the SEPA, with gross proceeds to the Company totaling approximately $0.4 million.

Restructuring

On March 2, 2026, the Company announced that it has initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. In connection with the evaluation of strategic alternatives, the Company is implementing a restructuring plan that includes a workforce reduction of approximately 70%.

Merger and Related Share Consolidation

On March 23, 2026, the Company's stockholders approved the Agreement and Plan of Merger, as amended from time to time, including pursuant to Amendment No. 1 to Agreement and Plan of Merger, pursuant to which (i) a wholly owned subsidiary (the "Merger Sub") of the Company will merge with and into the Company, with the Company surviving (the "Merger"), and (ii) every fifty (50) shares of common stock of the Company issued and outstanding, or held as treasury stock, will be converted into one (1) share of common stock of the surviving corporation, which shall be the Company (the "Share Consolidation"). The effective date of the Merger and the related Share Consolidation was April 6, 2026. Consequently, all issued and outstanding shares of stock, stock option awards, and per share data have been retroactively adjusted in these financial statements to reflect the Share Consolidation for all periods presented. The authorized shares and par value of the common stock and preferred stock remain unchanged. No fractional shares were issued in connection with the Share Consolidation.



Up to 8,182,110 Shares of Common Stock

PROSPECTUS

October 29, 2026