UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2022

OR

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

Commission File Number 001-39460

KYMERA THERAPEUTICS, INC.

(Exact name of Registrant as specified in its Charter)

Delaware	**81-2992166**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
200 Arsenal Yards Blvd., Suite 230 Watertown, Massachusetts	**02472**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (857) 285-5300

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

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

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

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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

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

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

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

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

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

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

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the registrant's common stock, $0.0001 par value per share, held by non-affiliates of the registrant, based on the last sale price of the Common Stock at the close of business on June 30, 2022, was $792.0 million. Shares of common stock held by each executive officer and director and by each other person who may be deemed to be an affiliate of the registrant have been excluded from this computation. The determination of affiliate status for this purpose is not necessarily a conclusive determination for other purposes.

The number of shares of Registrant's Common Stock outstanding as of February 17, 2023 was 55,183,644.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2023 Annual Meeting of Stockholders, which the registrant intends to file with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended December 31, 2022, are incorporated by reference into Part III of this Annual Report on Form 10-K

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SUMMARY OF THE MATERIAL AND OTHER RISKS ASSOCIATED WITH OUR BUSINESS

- We are a biopharmaceutical company with a limited operating history and have not generated any revenue to date from drug sales, and may never become profitable.
- We have incurred significant operating losses in recent periods and anticipate that we will incur continued losses for the foreseeable future.
- We will need to raise substantial additional funding. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, scale back or discontinue some of our product candidate development programs or future commercialization efforts.
- We are very early in our development efforts. All of our product candidates are in preclinical or early clinical development. If we are unable to commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.
- Our approach to the discovery and development of product candidates based on our Pegasus™ platform is novel and unproven, which makes it difficult to predict the time, cost of development and likelihood of successfully developing any products.
- Business interruptions resulting from the ongoing coronavirus disease (COVID-19) pandemic, similar public health crises, or geo-political actions could cause a disruption to our supply chain or the development of our product candidates and adversely impact our business.
- We may not be successful in our efforts to identify or discover additional product candidates or we may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.
- If we experience delays or difficulties in the initiation or enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.
- Our current or future product candidates may cause adverse or other undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.
- Even if we receive regulatory approval for any of our current or future product candidates, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense.
- We rely, and expect to continue to rely, on third parties to conduct our ongoing and planned preclinical studies and clinical trials for our current and future product candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize our current and potential future product candidates and our business could be substantially harmed.
- If we are unable to obtain and maintain patent and other intellectual property protection for our technology and product candidates or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be impaired.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, or Annual Report, contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this Annual Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expects", "intends", "plans", "anticipates", "believes", "estimates", "predicts", "potential", "continue" or the negative of these terms or other comparable terminology. These statements are not guarantees of future results or performance and involve substantial risks and uncertainties. Forward-looking statements in this Annual Report include, but are not limited to, express or implied statements about:

- the initiation, timing, progress, results, and cost of our research and development programs, and our current and future preclinical and future clinical studies, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available, and our research and development programs;
- our ability to continue to construct Pegasus™, our drug discovery platform, and to enable a rational and effective drug discovery and development engine;
- the timing and the success of preclinical and clinical studies under our IRAK4, IRAKIMiD, STAT3 and MDM2 programs;
- our plans to submit investigational new drug applications to the FDA for current and future product candidates;
- the subsequent initiation of planned clinical trials;
- our ability to identify research priorities and apply a risk-mitigated strategy to efficiently discover and develop product candidates, including by applying learnings from one program to other programs and from one modality to our other modalities;
- our potential ability to manufacture our drug products, drug substances, delivery vehicles, and product candidates for preclinical use, for clinical trials and on a larger scale for commercial use, if approved;
- the ability and willingness of our third-party strategic collaborators to continue research and development activities relating to our development candidates and product candidates, within expected timeframes, if at all;
- our ability to obtain funding for our operations necessary to complete further development and commercialization of our product candidates;
- our ability to obtain and maintain regulatory approval of our product candidates;
- our ability to commercialize our products, if approved;
- the pricing and reimbursement of our product candidates, if approved;
- the implementation of our business model, and strategic plans for our business, product candidates, and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;
- estimates of our future expenses, revenues, capital requirements, and our needs for additional financing;
- the potential benefits of strategic collaboration agreements, our ability to enter into strategic collaborations or arrangements, and our ability to attract collaborators with development, regulatory and commercialization expertise;
- future agreements with third parties in connection with the commercialization of product candidates and any other approved product;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- our financial performance;
- the rate and degree of market acceptance of our product candidates;
- regulatory developments in the United States and foreign countries;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;

- our ability to produce our products or product candidates with advantages in turnaround times or manufacturing cost;
- the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel;
- the impact of laws and regulations;
- developments relating to our competitors and our industry;
- the impact of global economic and political developments on our business, including rising inflation and capital market disruptions, the current conflict in Ukraine, economic sanctions and economic slowdowns or recessions that may result from such developments which could harm our research and development efforts as well as the value of our common stock and our ability to access capital markets;
- the effect of the ongoing COVID-19 pandemic, including mitigation efforts and economic effects, on any of the foregoing or other aspects of our business operations, including but not limited to our preclinical studies and future clinical trials; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

Any forward-looking statements in this Annual Report reflect our current views with respect to future events and with respect to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described under Part I, Item 1A, "Risk Factors" and elsewhere in this Annual Report. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

All of our forward-looking statements are as of the date of this Annual Report only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of or any material adverse change in one or more of the risk factors or risks and uncertainties referred to in this Annual Report or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the Securities and Exchange Commission, or the SEC, could materially and adversely affect our business, prospects, financial condition and results of operations. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Annual Report, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this Annual Report that modify or impact any of the forward-looking statements contained in this Annual Report will be deemed to modify or supersede such statements in this Annual Report.

We may from time to time provide estimates, projections and other information concerning our industry, the general business environment, and the markets for certain diseases, including estimates regarding the potential size of those markets and the estimated incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events, circumstances or numbers, including actual disease prevalence rates and market size, may differ materially from the information reflected in this Annual Report. Unless otherwise expressly stated, we obtained this industry, business information, market data, prevalence information and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, and similar sources, in some cases applying our own assumptions and analysis that may, in the future, prove not to have been accurate.

PART I

Item 1. Business.

We are a biopharmaceutical company focused on discovering and developing novel small molecule therapeutics that selectively degrade disease-causing proteins by harnessing the body's own natural protein degradation system. Our proprietary targeted protein degradation, or TPD, platform, which we refer to as Pegasus™, enables us to discover highly selective small molecule protein degraders with activity against disease-causing proteins throughout the body. We believe that our small molecule protein degraders have unique advantages over existing therapies and allow us to address a large portion of the human genome that was previously intractable with traditional modalities. We focus on biological pathways that have been clinically validated but where key biological nodes/proteins have not been drugged or have been inadequately drugged. To date, we have utilized our Pegasus™ platform to design novel protein degraders focused in the areas of immunology-inflammation and oncology, and we continue to apply our platform's capabilities to additional therapeutic areas. We have a mission to drug all target classes in human cells using TPD.

Our programs exemplify our focus on addressing high impact targets that have been elusive to conventional modalities and that drive the pathogenesis of multiple serious diseases with significant unmet medical needs. Our current clinical stage programs are IRAK4, IRAKIMiD, and STAT3, which each address high impact targets within the interleukin-1 receptor/toll-like receptor, or IL-1R/TLR, and janus kinase/signal transducers and activators of transcription, or JAK/STAT, pathways, providing the opportunity to treat a broad range of immune-inflammatory diseases, hematologic malignancies, and solid tumors. Our fourth clinical program, MDM2, targets both solid and hematologic malignancies.

With respect to our IRAK4 program, we are collaborating with Sanofi S.A, or Sanofi, on the development of drug candidates targeting IRAK4 outside the oncology and immuno-oncology fields. We are developing KT-474, a highly active and selective, orally bioavailable IRAK4 degrader, for the treatment of IL-1R/TLR-driven immunology-inflammation conditions and diseases with high unmet medical need, including hidradenitis suppurativa, or HS, an inflammatory skin disease, as well as atopic dermatitis, or AD, and potentially other indications. We have completed our Phase 1 trial of KT-474, which included a single ascending dose, or SAD, portion, a multiple ascending dose, or MAD, portion and a single dose, food-effect cohort to establish the dose for the patient cohort, or Part C, in patients with HS and AD. In December 2022, Sanofi notified us of its intent to advance KT-474 into Phase 2 clinical trials. Phase 2 clinical trials of KT-474 will initially investigate its potential in HS and AD, with the clinical trial for the first indication initiating in 2023. With respect to our oncology programs, we are evaluating KT-333, a STAT3 degrader, in a Phase 1 clinical trial in patients with relapsed/refractory liquid and solid tumors, including aggressive lymphomas. Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023. We are also evaluating KT-413, our IRAKIMiD degrader, in a Phase 1 clinical trial in patients with relapsed/refractory B cell lymphomas, including MYD88 mutant diffuse large B cell lymphomas (DLBCL). Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023. In December 2022, we received FDA clearance for our investigational new drug, or IND, application to evaluate our MDM2 degrader, KT-253, in a Phase 1 clinical trial. KT-253 has been developed to stabilize the tumor suppressor p53 and address a wide variety of p53 wild type tumor types in both solid tumors and hematologic malignancies. We plan to initiate our Phase 1 clinical trial of KT-253 in early 2023.

Our Strategy

Our mission is to discover, develop and commercialize novel and transformative therapies that improve the lives of patients with serious diseases, and we are committed to the selection of targets that enable a broad impact across multiple clinical indications with high unmet medical need. We believe the unique discovery capabilities of our Pegasus™ platform will position us to be a leader in the area of TPD. Our goal is to become a fully integrated biopharmaceutical company with a pipeline of novel degrader medicines targeting disease-causing proteins that were previously intractable. We intend to achieve this goal by pursuing the following strategic objectives.

- **Advance the development of our IRAK4, IRAKIMiD**, **STAT3 and MDM2 programs to deliver transformative therapies to patients**. We maintain a core set of drug development principles which guide our protein target selection and our discovery and development efforts. We are specifically focused on delivering therapeutic solutions that reach previously inaccessible targets, in particular those in which the biological pathways are clinically and genetically well-validated, in order to address significant unmet medical needs within broad patient populations. We believe our IRAK4, IRAKIMiD, STAT3 and MDM2 programs have the potential to treat multiple immune-inflammatory and oncology disease indications that fit these criteria.

- **Further expand the capabilities of our Pegasus™ platform to identify the optimal pairing of therapeutic targets with E3 ligases for a range of disease states**. Our TPD platform, Pegasus™, enables us to identify an expanded library of E3 ubiquitin ligases, or E3 ligases, to discover highly selective degraders with activity against disease causing proteins throughout the body. Pegasus™ has the potential to help us better understand not only the optimal pairing of disease-causing protein targets with E3 ligases, but also the degradation profiles across different cell types and tissues, further enabling us to convert our differentiated E3 binders into novel degraders. We believe our ability to identify and utilize previously unliganded E3 ligases, particularly those with selective or restricted expression, may unlock new opportunities across broad therapeutic applications, including using novel E3 ligases to degrade undruggable and non-ligandable high value protein targets using small molecule molecular glues.
- **Continue to build a broad and diverse pipeline of novel protein degraders**. Guided by our drug development principles and the learnings from our IRAK4, IRAKIMiD, STAT3 and MDM2 programs, we intend to continue to identify therapeutic targets that have disruptive therapeutic potential and are predicted to be well-suited for a TPD approach. Given the unique genetic profiles in some of the patient populations that we aim to serve, we plan to continue to leverage a precision medicine approach to help identify patients with the highest probability of responding to our degrader drug candidates. The capabilities of our discovery platform, such as our expanded toolbox that includes E3 ligases beyond the two predominantly used in the field today, cereblon and von Hippel-Lindau, or VHL, enable us to pursue targets linked to a wider range of indications.
- **Expand and protect our proprietary know-how and intellectual property**. We have developed a broad patent estate protecting our intellectual property, which we intend to expand to further protect our Pegasus™ platform and the drug candidates we develop. Our intellectual property, which includes proprietary know-how as well as a series of patents, applies to not only our invented compounds but also to our E3 Ligase Whole-Body Atlas and our E3 Ligase Binders Toolbox.
- **Pursue synergistic collaboration opportunities**. To further our goal of delivering transformative therapies to the broadest possible patient population, we intend to become a fully integrated biopharmaceutical company. As part of this plan, in addition to our ongoing collaborations with Vertex Pharmaceuticals Incorporated, or Vertex, and Sanofi, we expect to leverage additional strategic partnerships that can contribute complementary capabilities in discovery, development and commercialization in disease areas both within and outside of our core areas of therapeutic focus.

Background of Targeted Protein Degradation

Proteins are responsible for the structure, function and regulation of tissues and organs. Cells in the body continuously synthesize and degrade proteins, maintaining an equilibrium called protein homeostasis. Most diseases are the result of aberrant protein behavior driven by activation, mutation, or downregulation of the protein itself, or by the gene responsible for the transcription and translation of that particular protein. With a deepened molecular understanding of various diseases and the characterization of the full human genome, research efforts have increasingly focused on the development of medicines to address malfunctioning proteins responsible for oncologic, auto-immune, cardio-metabolic, neurodegenerative, and rare genetic diseases.

The ‘druggable’ genome challenge

Several therapeutic modalities have been developed over the years to address aberrant protein activity. These have included small molecule inhibitors of protein function, therapeutic antibodies, oligo-based therapeutics such as RNA interference therapeutics, antisense oligonucleotides, or ASO, and other genetic therapies.

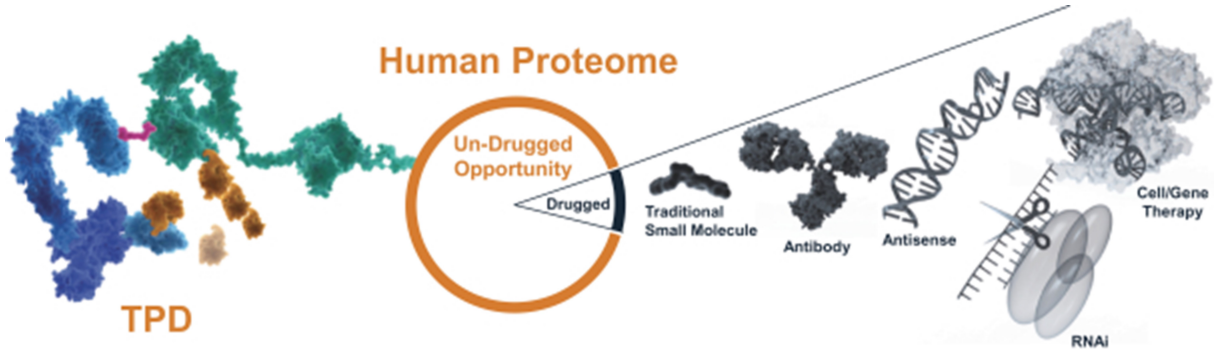
Some of these modalities have had a tremendous impact on the treatment of diseases and quality of life of patients, and several others, while earlier stage, offer potential. However, these traditional modalities face specific challenges that limit their therapeutic impact and reach. Some of the limitations of existing modalities include the following:

- **Traditional small molecule therapeutics** are unable to block the function of proteins without a catalytic or substrate binding site and cannot block proteins with dual function, as such are not effective against transcription factors, scaffolding and adaptor proteins, many of which play a key role in certain diseases.
- **Therapeutic antibodies** are generally too large to penetrate cells and are therefore typically limited to protein targets that are extracellular, or outside of the cell, whereas most proteins are inside the cell. They also have to be dosed parenterally and can be costly and complex to develop and manufacture.

- **Oligo-based therapeutics** are capable of drugging proteins elusive to small molecules in some cases but have significant drug delivery challenges with dosing and in achieving systemic distribution, greatly limiting the breadth of diseases they are able to address effectively. These therapeutics can also be costly and complex to develop and manufacture.

As a result of these limitations, we believe that only 20% of the full human genome has been effectively drugged to date. New therapeutic modalities which can overcome some of these challenges are necessary to expand the drugged proteome/genome and provide new efficacious medicines to patients in need. We believe that TPD is such a modality.

Figure 1. Expanding the Druggable Human Proteome.



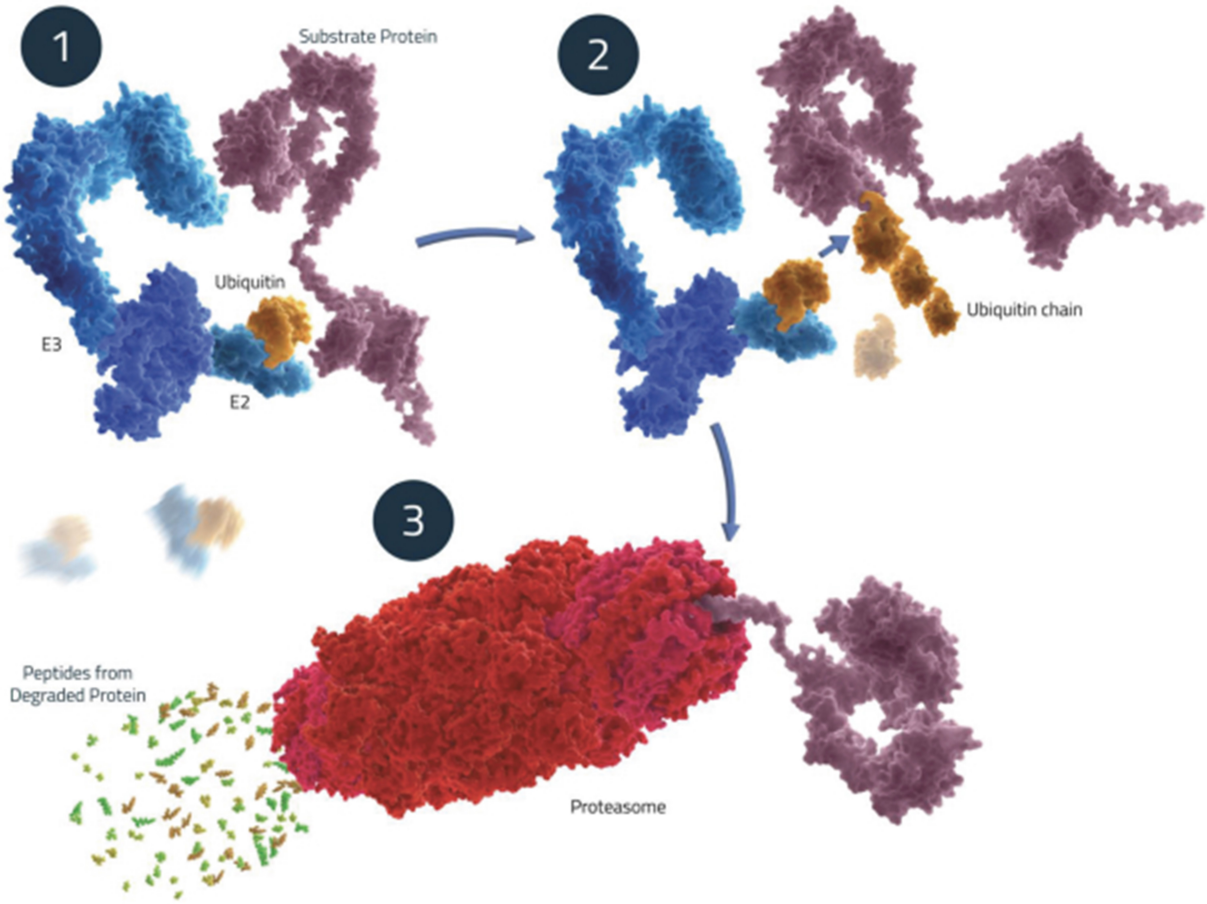
Targeted Protein Degradation

One of the methods that cells use to control the balance between the synthesis of new proteins and the degradation and disposal of damaged and/or misfolded proteins, is ubiquitin-proteasome system, or UPS. The discovery of ubiquitin-mediated protein degradation provided important insights into specific processes like cellular division and DNA repair and led to the discovery of UPS' critical roles in various cellular pathways, including the cell cycle, signaling pathways, the regulation of gene expression, and responses to oxidative stress. The discovery of the UPS also revealed a new modality to harness this cellular process for the treatment of diseases.

The UPS comprises a series of finely orchestrated enzymatic sequences that ultimately lead to protein polyubiquitination and degradation by the proteasome in cells. Protein ubiquitination is a cellular process involving an enzymatic cascade consisting of ubiquitin-activating enzymes (E1), ubiquitin-conjugating enzymes (E2), and ubiquitin-protein ligases (E3). In humans, there are two classes of ubiquitin activating E1 enzymes, more than 30 E2 enzymes, and approximately 600 E3 ligases.

As illustrated in the figure below, the E3/E2/ubiquitin ligase complex (shown in blue) binds to a substrate protein (shown in purple) to mediate the transfer of ubiquitin, which leads to degradation of the target protein through the proteasome.

Figure 2. Natural Protein Degradation Through Ubiquitin-Proteasome System.

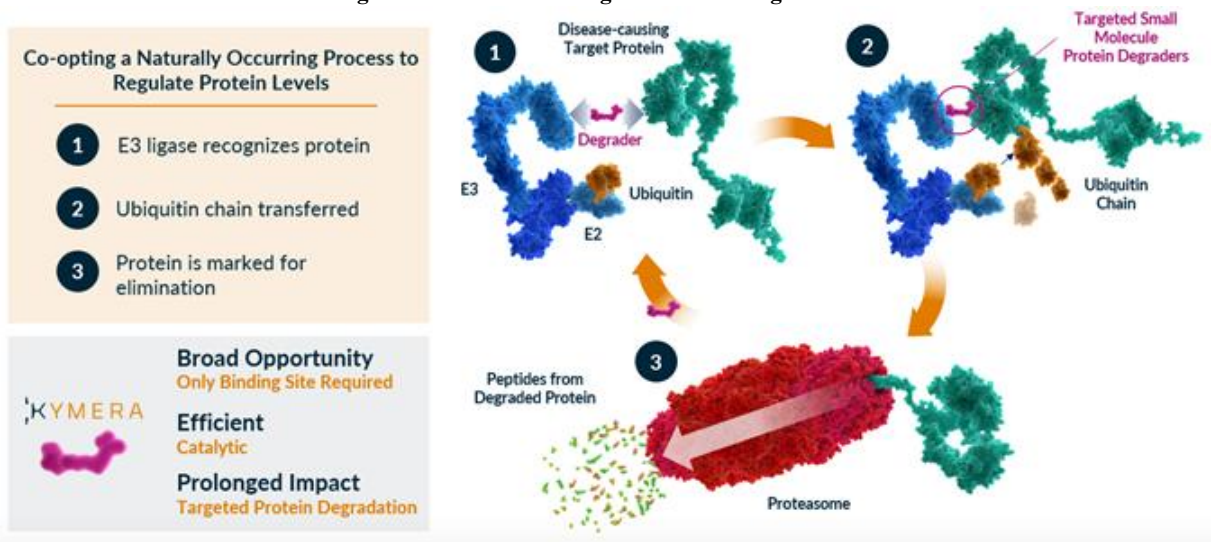


Targeted protein degradation is a new modality that co-opts this innate cellular process. The core of the TPD modality consists of a small molecule (shown in magenta in Figure 3 below) that we refer to as a heterobifunctional degrader. The role of this heterobifunctional degrader molecule is to mediate a "new" interaction through the formation of a ternary complex between a disease-causing protein and an E3 ligase. The E3 ligase tags the protein target for degradation by attaching a series of ubiquitin, and the proteasome recognizes the tagged protein and degrades it into small peptides.

Forming an efficient ternary complex, as shown in step 2 in the figure below, is a critical step in TPD, and its formation, function, and effect on cellular and in vivo systems is vital to the success of the degradation and its impact on disease. In addition, the degrader molecule needs to be able to effect degradation in a variety of different cell types and contexts and have the right pharmaceutical properties to be therapeutically dosed to patients.

As shown in the figure below, after the degrader facilitates the ubiquitination of the target protein, and as the protein is degraded by the proteasome, the molecule separates from the protein, and is able to form another ternary complex to conduct the degradation process again. This iterative mechanism is catalytic, which results in increased potency even at lower concentrations, another key differentiator from other modalities such as small molecule inhibitors and therapeutic antibodies.

Figure 3. Overview of Targeted Protein Degradation.



Due to the unique advantages of TPD, this transformative modality is capable of targeting proteins traditionally undrugged by small molecules. Specifically, TPD can target proteins without a catalytic function such as scaffolding proteins and transcription factors, with small molecule-like drug properties that can potentially be dosed orally and distributed systemically unlike oligo-based therapeutics such as RNAi's. TPD molecules also are amenable to existing small molecule manufacturing principles which are less costly than other therapeutic modalities. Because of the catalytic nature of the degradation process, we believe the modality has the potential to be therapeutically effective with smaller amounts of drug substance and less frequent dosing than traditional therapeutics.

The use of small molecules to affect protein homeostasis has been clinically and commercially validated by multiple drugs over the past two decades. Drugs such as bortezomib and fulvestrant have been understood to inhibit the proteasome and target the estrogen receptor for proteasome-dependent degradation, respectively. More recently, immunomodulatory imide drugs such as lenalidomide and pomalidomide have been understood on a post-hoc basis to direct the degradation of a series of transcription factors via the UPS.

These immunomodulatory drugs have validated the concept of using the UPS to degrade proteins and elicit a pharmacological and therapeutic effect in disease settings. However, unlike earlier approaches in this field, TPD takes this proven concept further to prospectively target the degradation of a wider range of proteins through the rational design of heterobifunctional degraders which coordinate the discreet binding of target proteins and E3 ligases to drive the desired protein degradation.

An important factor for the efficiency of a degrader is the specificity and affinity to the targeted E3 ligase. The various E3 ligases have different distribution and cellular localization profiles that are important factors when considering which E3 ligase to use for a particular disease protein target. There are approximately 600 E3 ligases that occur in nature, but to date only a handful of these E3 ligases have been evaluated for therapeutic purposes, leaving a substantial portion of the genome available for targeting.

Our Pegasus™ Platform

Our proprietary drug discovery platform, called Pegasus™, enables us to rationally design targeted protein degraders that have the potential to drug all target classes in the cell. Our approach is rooted in an understanding of the relationship between E3 ubiquitin ligases and target proteins, which allows us to identify the properties that make a target both ligandable and degradable, and determine how multiple factors impact potency, selectivity, pharmacokinetics, or PK, and pharmacodynamics, or PD. Key components of our platform include our E3 ligase ligand toolbox, our understanding of degradation across healthy and diseased tissue types, our proprietary chemistry and our Center for Molecular Glue Discovery.

- **Expanded E3 Ligase toolbox.** Our E3 ligase Whole-Body Atlas includes the expression profiles of approximately 600 unique E3 ligases. Using this Atlas, we are able to match target proteins with appropriate E3 ubiquitin ligases based on expression, distribution, intracellular localization and biology, a process that is enabled with our machine learning-based algorithms.

- **Understanding of degradation across tissue types**. Our Quantitative System Pharmacology Model measures and predicts a diverse set of parameters that impact target protein levels, based on an understanding of PK/PD, both in vitro and in vivo, and across healthy and diseased tissues and cell types.

- **Proprietary Chemistry**. Our proprietary chemistry expertise enables the design and optimization of both E3 ligase and target protein binders, with artificial intelligence (AI) enabled insights, allowing for the opportunity to design of targeted protein degraders with optimal pharmaceutical properties.

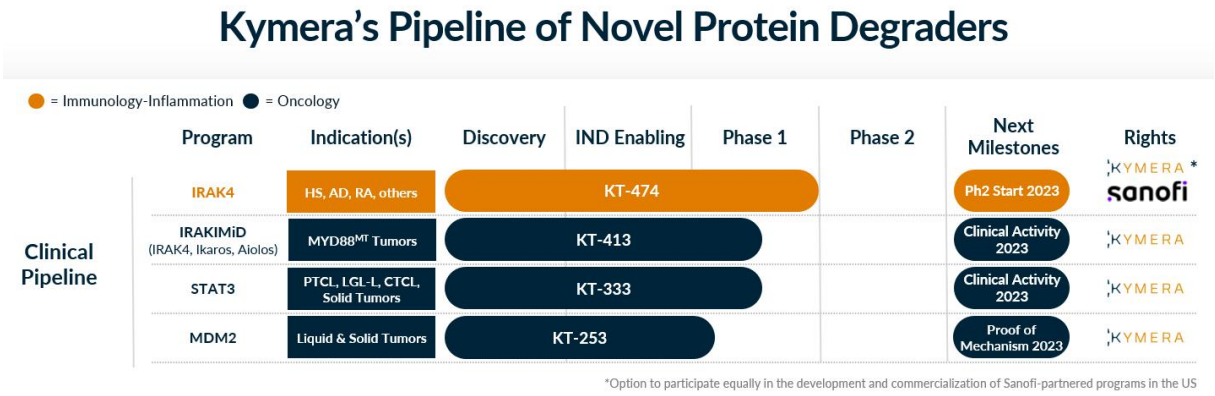
- **Center for Molecular Glue Discovery**. Our Center for Molecular Glue Discovery is focused on identifying novel tissue restricted or selective E3 ligases, beyond traditional cereblon/IMiD interactions, that enable the design of molecules that target both undrugged and un-ligandable proteins through small molecule interactions.

Our Therapeutic Pipeline

Our current clinical-stage programs are IRAK4, IRAKIMiD, STAT3 and MDM2, which each focus on a single critical signaling node within the genetically and clinically validated IL-1R/TLR, JAK/STAT and p53 pathways.

We completed our Phase 1 clinical trial for KT-474 in October 2022. Patient enrollment and dosing are ongoing for our Phase 1 clinical trials for KT-333 and KT-413. In December 2022, we announced we received FDA clearance of our IND to evaluate our MDM2 degrader, KT-253 and we expect to start enrollment in the Phase 1 study in early 2023.

The following table summarizes our clinical stage pipeline. We also have multiple programs in earlier stages of development and are exploring targets in therapeutic areas outside of our core areas of focus:



Our IRAK4, IRAKIMiD, STAT3 and MDM2 Programs

We are developing KT-474, a highly active and selective, orally bioavailable IRAK4 degrader, for the treatment of IL-1R/TLR-driven immunology-inflammation conditions and diseases with high unmet medical need, including HS, an inflammatory skin disease, as well as AD and RA. We have chosen to pursue IRAK4 degradation due to the well-validated role of the IL-1R/TLR pathway in immunology and inflammation and the potential advantage that drugging a single node of multiple different mediators of inflammation has over other approaches focused on targeting one of many cytokines that stimulate the IRAK4 node. IRAK4 is a critical node in the IL-1R/TLR signaling pathway, which is dependent on both IRAK4's kinase activity and scaffolding function. We have observed through our in vitro and in vivo studies that KT-474 induces IRAK4 degradation, impacting both the kinase and the scaffolding functions, and therefore can efficiently and selectively block IL-1R/TLR-mediated inflammation in a way we believe to be superior to IRAK4 kinase inhibitors. We therefore believe KT-474 has the potential to improve outcomes over current treatment options as well as other drugs currently in development. The dose

escalation in the SAD and MAD portions of this Phase 1 trial in healthy volunteers was completed in December 2021. In October 2022, we announced that we had completed the patient cohort, or Part C, of the KT-474 Phase 1 trial, which included hidradenitis suppurativa, or HS, and atopic dermatitis, or AD, patients. We are collaborating with Sanofi on the development of drug candidates targeting IRAK4 outside of oncology and immuno-oncology fields, and in December 2022, Sanofi notified us of its intent to advance KT-474 into Phase 2 clinical trials in patients with HS and AD . See "Business—Collaborations—Collaboration Agreement with Sanofi."

We are developing another group of IRAK4 degraders, which we call IRAKIMiDs, with a unique profile that combines the activity of IRAK4 degradation and immunomodulatory imide drugs, or IMiDs, for the treatment of MYD88-mutated diffuse large B-cell lymphoma, or DLBCL. In oncology, IRAK4 is an obligate protein in MYD88 signaling and this activated mutation is well characterized to drive oncogenesis. IMiDs are a class of drugs that degrade zinc-finger transcription factors, such as Ikaros and Aiolos, resulting in the restoration of Type 1 interferon, or Type 1 IFN, signaling pathway which is relevant in treating lymphoma. Our IRAKIMiDs combine the activity of the IMiDs with IRAK4 degradation in a single agent and address both the IL-1R/TLR and the Type 1 IFN pathways synergistically and in doing so are designed to produce broad activity against MYD88-mutant lymphomas. In animal models, we have demonstrated that this combination in a single agent is superior to co-administering IRAK4 and IMiD agents. We believe this will be the first precision medicine in lymphoma to target a genetically defined population, which accounts for approximately 25% of DLBCL patients. We have observed that the functional synergy between the degradation of IRAK4 and IMiD activity results in broad activity against MYD88-mutant lymphomas in vitro and in mouse xenograft models, leading to rapid, complete and sustained tumor regressions, even when dosed intermittently. Further, we have seen additive and synergistic activity in vivo combining IRAKIMiD with ibrutinib (BTK), venetoclax (BCL-2 inhibitor), and rituximab (anti-CD20 monoclonal antibody), which are important back-bone therapies in these B cell lymphomas. We are currently evaluating our IRAKIMiD degrader, KT-413, in a Phase 1 clinical trial in patients with relapsed/refractory B cell lymphomas, including MYD88 DLBCL. Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023.

We are developing our selective STAT3 degraders for the treatment of hematological malignancies and solid tumors, as well as autoimmune diseases and fibrosis. STAT3 is a transcription factor activated through a variety of different cytokine and growth factor receptors via janus kinases, or JAKs, as well as through oncogenic fusion proteins and mutations in STAT3 itself. We believe the diverse functions of STAT3 in tumor biology, evasion of immune surveillance by tumor cells, and inflammation and fibrosis provide opportunities to address a wide variety of high unmet need disease indications through the targeting of a single genetically and clinically validated pathway. While the JAK-STAT pathway has been partially addressed with several clinically successful JAK-targeting agents, we believe there are currently no drugs that specifically affect STAT3 broadly across all the relevant cell types. Small molecule STAT3 dimerization inhibitors targeting the SH2 domain have been in development, but significant challenges remain: first, homology of SH2 domains among all STAT family members impacts the ability to achieve specificity for STAT3, and second, inability to block dimerization independent transcriptional activities of STAT3. For these reasons, we believe that STAT3 degraders may provide a transformative solution to the development of targeted and selective drugs to address multiple STAT3 dependent pathologies. We are currently evaluating our STAT3 degrader, KT-333, in a Phase 1 clinical trial in patients with relapsed/refractory liquid and solid tumors, including aggressive lymphomas. Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023.

We are developing degraders that target MDM2 for the treatment of solid tumors and hematological malignancies. MDM2 is the crucial regulator of the most common tumor suppressor, p53, which remains intact (or wild type) in more than 50% of cancers. Unlike small molecule inhibitors, our MDM2 degrader, KT-253, has been shown preclinically to have the ability to overcome the MDM2 feedback loop and rapidly induce apoptosis, even with brief exposures. In December 2022, we announced that we received clearance from the FDA for our IND for KT-253. We plan to initiate a Phase 1 clinical trial of KT-253 in early 2023, which is designed to evaluate the safety, tolerability, PK/PD and clinical activity of KT-253 in adult patients with liquid and solid tumors.

Our Approach to Target Selection

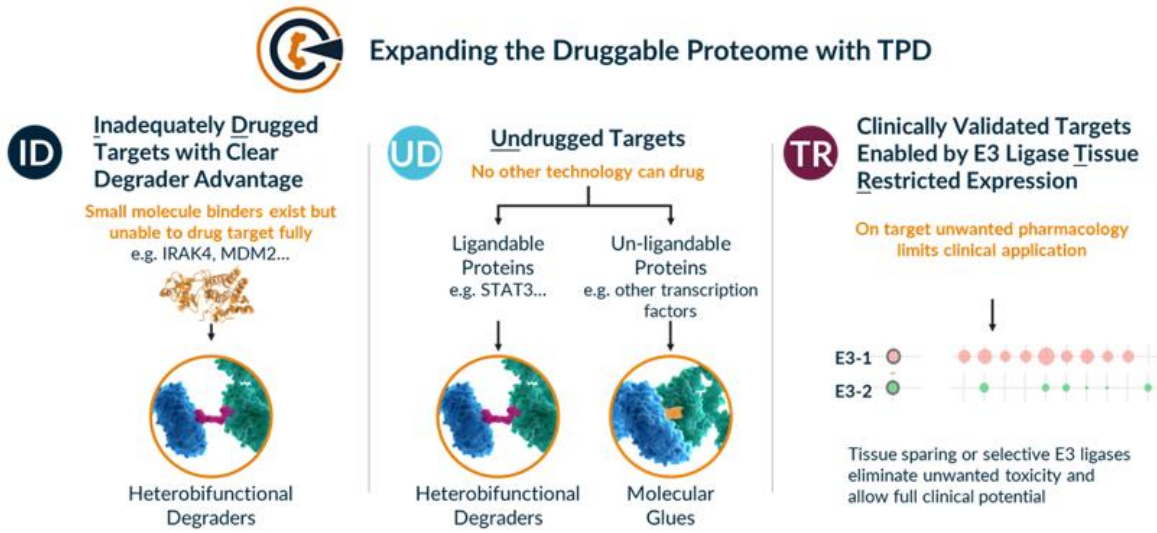
We maintain a unique approach to target selection within the TPD field focused on targets within three distinct categories, as described below and shown in Figure 4.

Inadequately Drugged (ID). We are focused on targets that have been inadequately drugged with other technologies and, importantly, where degradation provides a clear advantage over enzyme inhibition. We have identified and targeted proteins where removal offers superior therapeutic benefit versus inhibition of enzymatic activity or blockade of a binding site. Examples of targets we are pursuing in this category include IRAK4 and MDM2.

Undrugged Targets (UD). We are also exploring targets that are traditionally undrugged using other technologies. In some instances, ligands to these targets may exist and, while inadequate on their own for inhibition, have potential to serve as part of a heterobifunctional targeted protein degraders. In other instances, undrugged targets may have no known ligands and potentially no accessible small molecule binding sites which may make them poor candidates for both inhibitors and current heterobifunctional molecules. In these instances, we are pursuing a molecular glue approach in which a new surface on an E3 ligase is created via a small molecule with potential to engage the protein target of interest through a specific protein-protein interaction. An example of a target we are pursuing in this category is STAT3.

Tissue Restricted (TR). The final category of targets includes targets which can uniquely be accessed using our proprietary human whole body E3 ligase Atlas. Our efforts here are focused on systematically identifying tissue sparing and tissue selective E3 ligases, which enables us to access clinically validated targets where on-target, unwanted pharmacology limits the clinical utility of small molecule inhibitors. We are currently working on several programs, at different stages of development, pursuing tissue restricted or selective degradation.

Figure 4. Our Approach to Target Selection



Our Programs

IRAK4 Degrader for IL-1R/TLR-driven Immunology-inflammation Diseases

Summary

We are developing KT-474, a highly active and selective, orally bioavailable IRAK4 degrader, for the treatment of IL-1R/TLR-driven immune-inflammatory conditions and diseases with high unmet medical need, including HS, AD, RA and others. We have chosen to pursue IRAK4 degradation due to the well-validated role of the IL-1R/TLR pathway in immunology and inflammation and the potential advantage that drugging a single node of multiple different mediators of inflammation has over other approaches focused on targeting one of many cytokines that stimulate the IRAK4 node. IRAK4 is a critical node in the IL-1R/TLR signaling pathway, which is dependent on both IRAK4's kinase activity and scaffolding function. We have observed through our in vitro and in vivo studies that KT-474 induces IRAK4 degradation, impacting both the kinase and the scaffolding functions, and therefore can selectively block IL-1R/TLR-mediated inflammation in a way we believe to be superior to IRAK4 kinase inhibitors. We therefore believe KT-474 has the potential to improve outcomes over current treatment options as well as other drugs currently in development. The dose escalation in the SAD and MAD portions of this Phase 1 trial in healthy volunteers was completed in December 2021. In October 2022, we announced that we had completed the patient cohort, or Part C, of the KT-474 Phase 1 trial, which included HS and AD patients. We are collaborating with Sanofi on the development of drug candidates targeting IRAK4 outside of oncology and immuno-oncology fields, and in December 2022, Sanofi notified us of its intent to advance KT-474 into Phase 2 clinical trials in patients with HS and AD initially potentially

followed by other indications. See the section entitled "Business—Collaborations—Collaboration Agreement with Sanofi" appearing elsewhere in this Annual Report for more information.

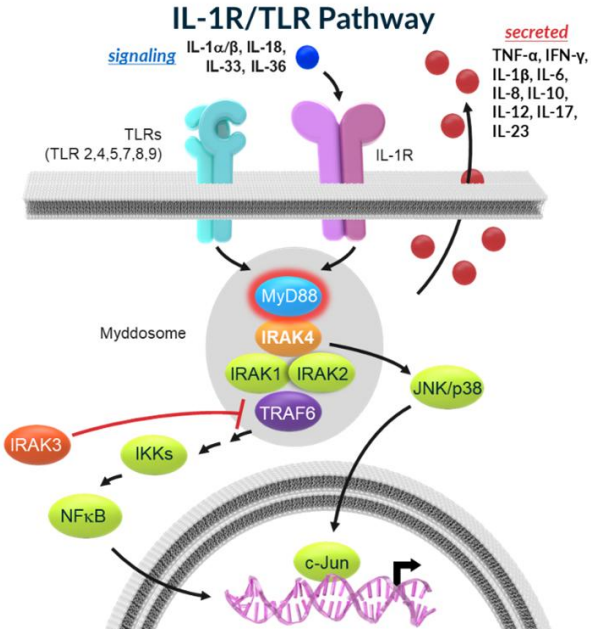
Biology and Mechanism of Action of IRAK4 Degrader

IRAK4 is a key component of the myddosome, a multiprotein complex involved in innate immunity that mediates signaling through TLRs and IL-1Rs. The IRAK4 protein is ubiquitously expressed across multiple different tissue types, including skin, lymphoid tissue, bone marrow, gastrointestinal tract, and lung.

The function of IRAK4 is dependent both on its kinase activity and on its scaffolding function, which are required for the assembly of the myddosome complex following TLR or IL-1R engagement and MYD88 activation. While the kinase function is primarily responsible for the phosphorylation events in the IRAK4-JNK axis, the scaffolding function is primarily responsible for the NF-KB activation and downstream gene traction of several key pro-inflammatory cytokines and chemokines.

We believe IRAK4 degradation is superior to IRAK4 kinase inhibition as our preclinical data suggests that it is critical to block both the kinase activity and scaffolding functions of the IRAK4 protein, which requires removal, as opposed to just inhibition, of the protein. IL-1 family cytokines, including IL-1a, IL-1ß, IL-18, IL-36, and IL-33, have been implicated in a variety of different immunology-inflammation conditions and diseases. As both TLRs and IL-1Rs are involved in the production and response to all of these IL-1 family cytokines, IRAK4 targeting with a single small molecule degrader could impact multiple different cytokines and chemokines and thereby provide a transformative approach to the treatment of IL-1R/TLR-driven diseases.

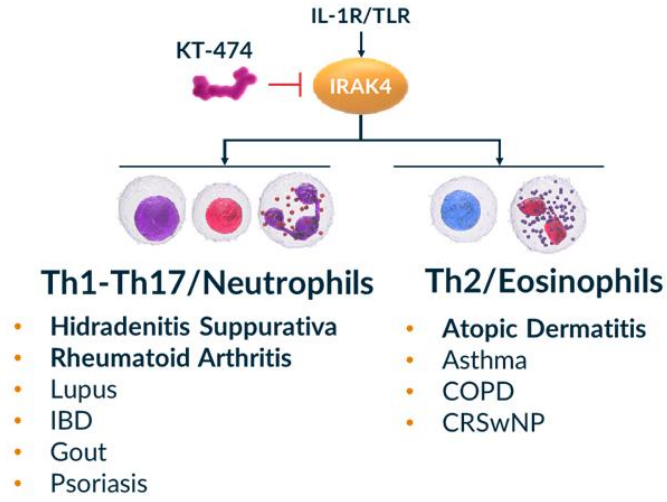
Figure 5. IRAK4 Function is Comprised of Both Kinase-Dependent and -Independent Activity.



Development Opportunities and Differentiation from IL-1 Family Cytokine Antibodies

There are numerous cutaneous, rheumatic and gastrointestinal immunology-inflammation disease indications for which pathogenesis involves IL-1 family cytokines as well as TLR stimulation. These present opportunities where we believe a highly efficient and selective IRAK4 degrader would provide significant advantages over both currently approved treatment options and those in clinical development. We are initially prioritizing indications such as HS, AD, and RA where there is clinical proof of concept for targeting cytokines impacted by the IL-1R/TLR pathway but for which there continues to be a high level of unmet need.

Figure 6. IL-1 Family Cytokines



Hidradenitis Suppurativa

HS is a chronic, destructive, painful and debilitating inflammatory skin disease affecting up to 1% of both the U.S. and global population. Patients with HS have numerous painful, draining nodules and abscesses, usually within skin folds, that are characterized by inflammation and bacterial colonization. Currently HS is treated symptomatically with corticosteroids, antibiotics and surgery. The only FDA-approved treatment for HS is the anti-TNF antibody adalimumab, which provides some benefit to approximately 50% of patients with moderate-to-severe disease but is not curative. Thus, there remains a high unmet need for better therapies for the treatment of HS.

Bacterial activation of TLRs, as well as the production of IL-1a, IL-1ß, and IL-36 by keratinocytes and inflammatory cells leading to inflammation characterized by high levels of TNF-a, IL-6, and IL-17, are central to the pathogenesis of HS. Monoclonal antibodies targeting individual cytokines such as IL-1a (bermekimab), IL-1a/ß receptor (anakinra), and IL-17 (secukinumab and bimekizumab) have shown preliminary clinical activity in HS and provide clinical validation for targeting the IL-1R/TLR pathway in HS. As such, an IRAK4 degrader which acts on multiple cytokines as well as TLRs has the potential to offer a significant advantage over the single-cytokine-targeting agents currently being developed.

Atopic Dermatitis

AD is a chronic, pruritic inflammatory skin disease that occurs most frequently in children but also affects adults. In the major global markets, the diagnosed prevalence of AD is estimated over 60 million patients, with approximately 40%, or 24 million, falling into the moderate-to-severe category. AD follows a chronic relapsing course over month to years, with dry skin and severe pruritus as the primary symptoms, sometimes accompanied by skin thickening from chronic scratching and fissuring. AD is treated symptomatically with topical therapies, including emollients, corticosteroids, and phosphodiesterase inhibitors. The lone FDA-approved systemic treatment is the IL-4Ra targeting antibody dupilumab, though only approximately 40% of moderate-to-severe disease patients met the primary endpoint in its Phase 3 trials, leaving a significant percentage of patients who are currently underserved.

Furthermore, there is evidence that IL-33 and IL-1 are both involved in the generation of inflammation in both AD and other allergic diseases, including eosinophilic asthma and chronic rhinosinusitis. Single-cytokine-targeting monoclonal antibodies against IL-33 (etokimab) and IL-1a(bermekimab) have shown preliminary clinical activity in AD. Thus, we believe the ability of an IRAK4 degrader to impact the production of both IL-33 and IL-1, through complete TLR signaling blockade, and the cellular response to both cytokines, through complete IL-1R signaling blockade, provides a compelling mechanistic rationale for development in AD.

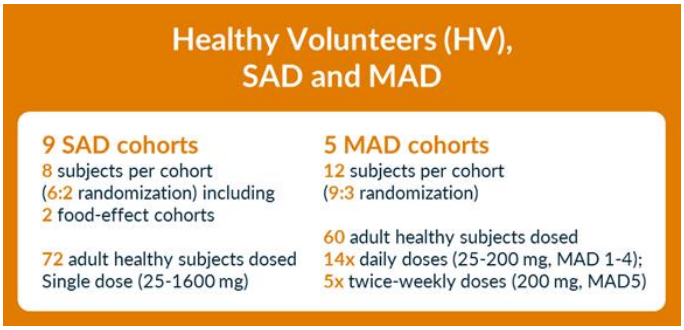
Rheumatoid Arthritis

RA, an additional potential indication for our IRAK4 degrader, is the most common inflammatory arthritis, affecting approximately 5 million individuals in the 7 major markets worldwide, with a prevalence of 0.7% of the U.S. population. The synovial inflammation characteristic of RA is driven by Th1 and Th17 immune responses with production of TNF-a and IL-1 family cytokines, including IL-1, IL-18 and IL-33, IL-6 and IL-17. Multiple therapies targeting the IL-1R/TLR pathway are approved for RA, and recently an IRAK4 kinase inhibitor (PF-06650833) has shown clinical activity comparable to the JAK inhibitor tofacitinib and a favorable safety profile in a randomized, placebo-controlled Phase 2b study in RA patients with inadequate response to methotrexate. Based on these early signs of activation, we believe a degrader-based approach which impacts both the kinase activity and the scaffolding function of IRAK4 may have the potential for a more transformative effect on the disease.

Clinical Studies and Data

In December 2021, we completed dose escalation in the SAD and MAD portions of the KT-474 Phase 1 trial. The following figure summarizes the trial design of the healthy volunteer portion of the trial.

Figure 7: KT-474 Healthy Volunteer Study



The summary of key findings in the healthy volunteer portion of the KT-474 clinical trial included:

- IRAK4 was reduced to near the lower limit of quantification using Mass Spectrometry
- Degradation was associated with up to 85% inhibition of multiple disease-relevant cytokines and chemokines in ex vivo TLR stimulation assay at the 100 mg dose level
- Dose-dependent IRAK4 degradation in skin exceeded 50%
- KT-474 was generally well tolerated at doses up to 200 mg, with no serious adverse events

Following the healthy volunteer portion of the trial, we completed a single dose, food-effect cohort to establish the dose for the patient cohort, or Part C, of the KT-474 Phase 1 trial, which included HS and AD patients and which was completed in October 2022.

Part C enrolled 21 patients, the demographics of which are shown below in Figure 8.

Figure 8: KT-474 Part C Baseline Demographics

	HS (n=13)	AD (n=8)
Gender, n		
Female	10	3
Male	3	5
Median age, years (range)	40 (21-53)	31 (23-55)
Race/Ethnicity		
White / Hispanic, Latino	7	6
White / Non-Hispanic, Latino	1	0
Black / Hispanic, Latin	0	1
Black / Non-Hispanic, Latino	5	0
Other*	0	1

The Part C baseline disease characteristics are shown below in Figure 9. One HS patient withdrew for personal reasons after dose 4, and one AD patient withdrew for personal reasons after dose 5.

Figure 9: KT-474 Part C Baseline Disease Characteristics

	HS (n=13)	AD (n=8)
Disease Severity	(HS-PGA)	(vIGA-AD)
Mild	--	1
Moderate	10	5
Severe	1	2
Very Severe	2	--
Extent of Disease	Mean (min, max)	Mean (min, max)
AN Count	8 (5, 18)	--
Fistula Count	4 (0, 15)	--
Pain-NRS*	7 (3, 10)	--
Pruritus-NRS*	5 (0, 10)	8 (4, 10)
EASI Score	--	17.6 (4.4, 52.3)
Patients with any prior Therapy, n (%)	8 (62)	7 (88)
Antibiotics/Antibacterials**	6 (46)	1 (13)
Corticosteroids	0	7 (88)
Adalimumab	3 (23)[₴]	0
Other Biologics	1 (8)[₹]	0

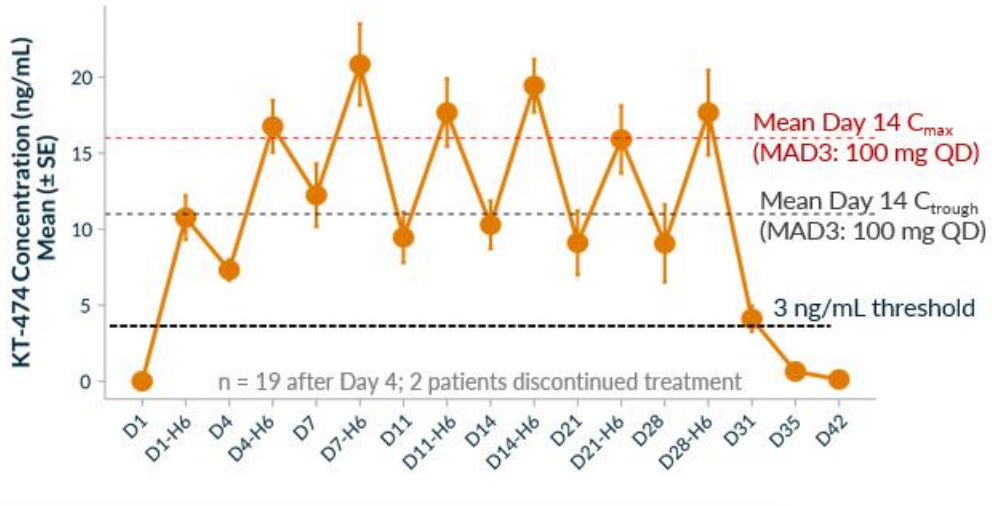
*worst score over past week **includes clindamycin and chlorhexidine

[₴]includes 2 pts with very severe disease;
[₹]1 patient with very severe disease received infliximab and bimekizumab (and adalimumab)

AD=Atopic Dermatitis; AN=Abscess and Inflammatory Nodule Count; EASI=Eczema Area and Severity Index; HS=hidradenitis suppurativa; Min=minimum; Max=maximum; Pain-NRS=Skin Pain Numerical Rating Score; Pruritus-NRS=Peak Pruritus Numerical Rating Score; PGA-Physicians Global Assessment; IGA=Investigator Global Assessment

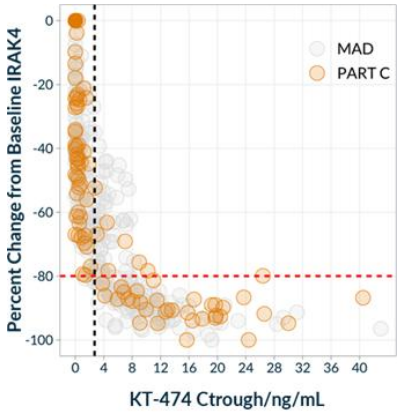
As shown below in Figure 10, the KT-474 plasma PK at the 75 mg once daily (QD) dose (in the fed state) in patients was comparable to healthy volunteers in the MAD portion of the Phase 1 clinical trial who received 100 mg once daily in the fasted state, the MAD cohort which we refer to as MAD3. Additionally, mean Cmax (6-hour post dose concentration) and Ctrough (pre-dose concentration) levels at steady state in Part C were in line with MAD3 levels at Day 14, and the mean half-life of 44 hours was within the range observed in MAD (34-59 hours)

Figure 10: Part C KT-474 Plasma PK



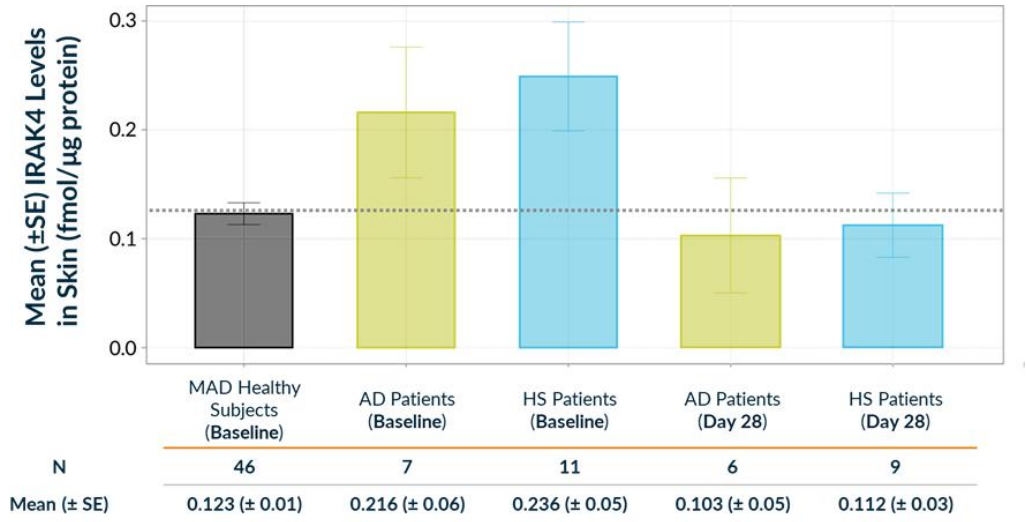
As shown in Figure 11, KT-474 concentrations in plasma led to a comparable level of IRAK4 degradation in healthy volunteers and HS/AD patients. Specifically, at concentrations above 3 ng/mL degradation was generally above 80% in both populations. Additionally, IRAK4 levels in PBMC in patients with evaluable samples were near the lower limit of quantification at Day 28.

Figure 11: PK/PD Correlation in Plasma/Monocytes (FLOW)



Baseline IRAK4 levels in skin lesions of evaluable HS and AD patients were approximately twice the levels of healthy volunteers. By Day 28 of dosing, the mean IRAK4 in skin lesions of AD and HS patients was reduced to approximately the same level as healthy subjects, as shown below in Figure 12.

Figure 12: IRAK4 Levels in Skin Lesions



KT-474 was generally well-tolerated. There were no serious adverse events, no drug-related infections, and no adverse events observed leading to dose interruption or discontinuation. The below figure lists adverse events related to study drug occurring in greater than 1 Patient.

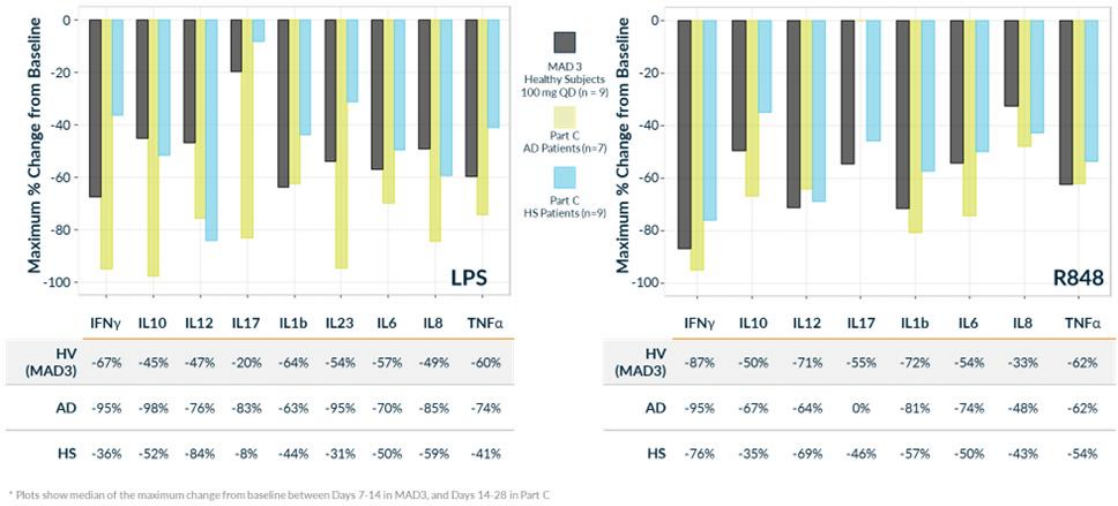
Figure 13: KT-474 Part C Adverse Events

Adverse Event (Preferred Term)	# of Patients	Severity (# of Pts)	Outcome (# of Pts)
Headache	6	Mild (5) Severe (1)	Recovered (6)
Fatigue	4	Mild (4)	Recovered (4)
Diarrhea	2	Mild (2)	Recovered (2)

In addition, a modest, non-adverse QTc prolongation, consistent with that observed by Day 7 in the MAD portion of the healthy volunteer study, was also observed in the patient cohort but spontaneously resolved back to baseline with continued dosing during the 28-day dosing period.

A whole blood ex vivo stimulation assay using the TLR ligands LPS or R848 showed broad inhibition of multiple disease-relevant cytokines and chemokines of up to 84-98% in HS and AD patients from Days 14 to 28, comparable or superior to what was observed in the healthy volunteer MAD3 cohort, as shown below in Figure 14.

Figure 14: KT-474 Whole Blood ex vivo stimulation



	IFNγ	IL10	IL12	IL17	IL1b	IL23	IL6	IL8	TNFα
HV (MAD3)	-67%	-45%	-47%	-20%	-64%	-54%	-57%	-49%	-60%
AD	-95%	-98%	-76%	-83%	-63%	-95%	-70%	-85%	-74%
HS	-36%	-52%	-84%	-8%	-44%	-31%	-50%	-59%	-41%

	IFNγ	IL10	IL12	IL17	IL1b	IL6	IL8	TNFα
HV (MAD3)	-87%	-50%	-71%	-55%	-72%	-54%	-33%	-62%
AD	-95%	-67%	-64%	0%	-81%	-74%	-48%	-62%
HS	-76%	-35%	-69%	-46%	-57%	-50%	-43%	-54%

* Plots show median of the maximum change from baseline between Days 7-14 in MAD3, and Days 14-28 in Part C

To determine whether KT-474 had a systemic anti-inflammatory effect in HS and AD patients, plasma levels of IL-6, CRP, SAA and IL-1b were measured at baseline and at various times during and after the 28-day treatment period. In patients whose baseline levels were greater than the upper limit of normal, the evaluable patients showed suppression of all 4 analytes, with mean maximum reductions through Day 42 ranging from 41 to 63%, as shown below in Figure 15.

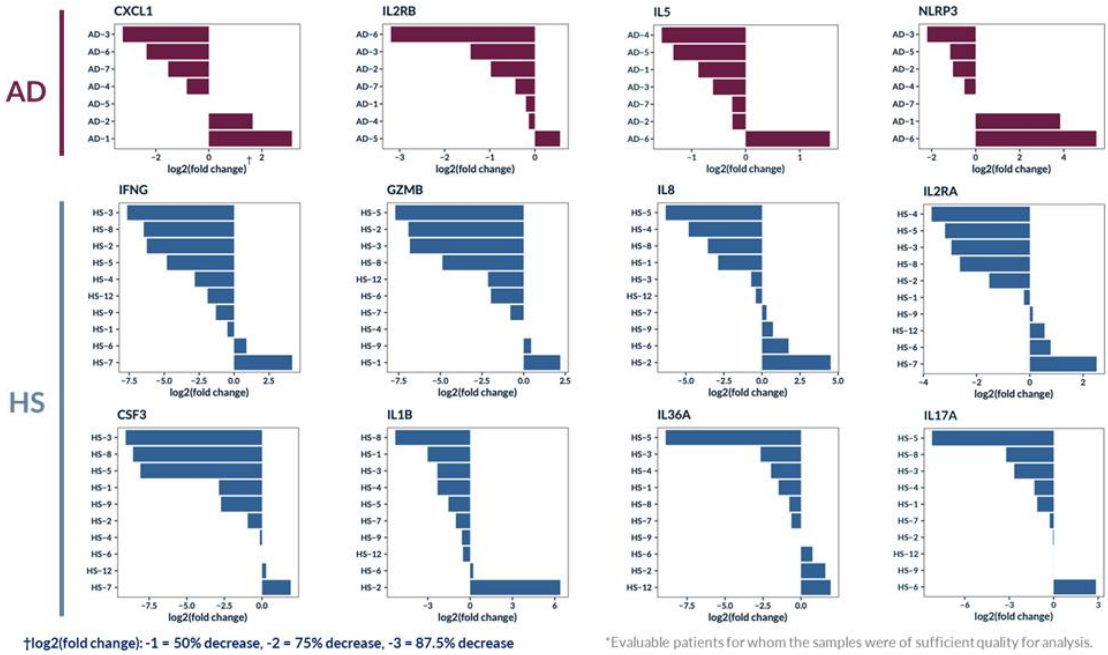
Figure 15: Plasma Levels

Analyte	Mean Max* AD (n)	Mean Max* HS (n)
IL-6†	-56% (3)	-63% (8)
CRP†	NA	-58% (5)
IL-1β	-36% (7)	-48% (8)
SAA†	-51% (4)	-41% (10)

*Max % reduction through Day 42
†Analysis performed only on patients with values >ULN at baseline
IL-6, IL-1β and CRP are high sensitivity assays

Part C also evaluated how systemic IRAK4 degradation in blood and skin would affect the expression of proinflammatory genes known to be relevant to either AD or HS. Figure 16 illustrates select disease-relevant genes downregulated in skin lesions of at least 50% of AD or HS patients at Day 28 compared to baseline. In AD, affected genes included the Th2 cytokine IL-5, the inflammasome NLRP3, as well as CXCL1 and IL-2RB. Genes affected in HS included IL-1 family cytokines IL-1 and IL-36A, mediators of Th1 inflammation such as IFN-g and GZMB, the Th17 cytokine IL-17A, and drivers of innate immunity such as IL-8 and CSF3. The downregulation was substantial with many genes inhibited more than 90% in both diseases.

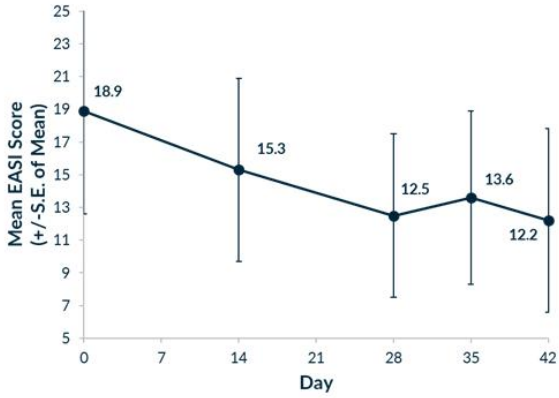
Figure 16: Disease-relevant biomarkers



Part C included exploratory clinical endpoints used for HS and AD. The endpoints were chosen in order to assess the effect of KT-474 treatment on the burden of skin disease as well as on symptoms such as pain and pruritus that impact quality of life for HS and AD patients.

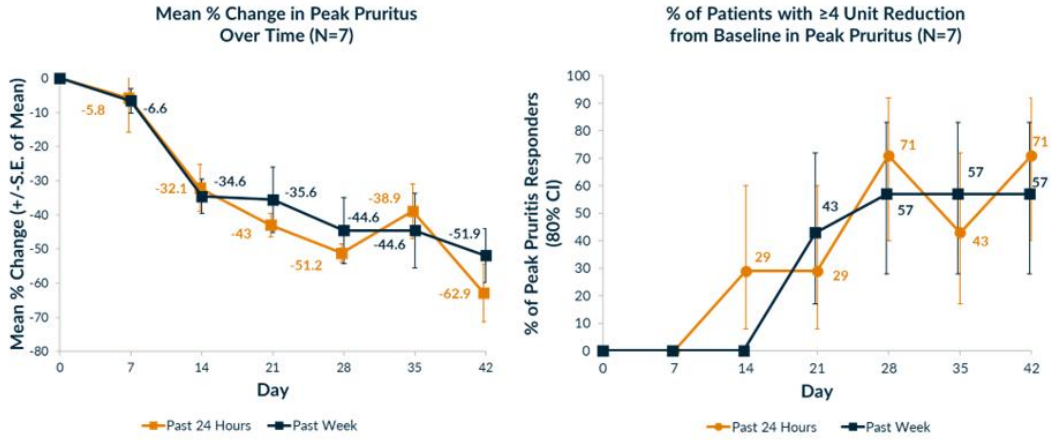
In AD patients, as shown in Figure 17, there was a mean 37% reduction in skin lesions as measured using the Eczema Area and Severity Index (EASI) score, with reductions in individual patients of up to 76%. Maximum reduction was seen by Day 28 and was maintained at Day 42.

Figure 17: Mean EASI Score Over Time (n=7)



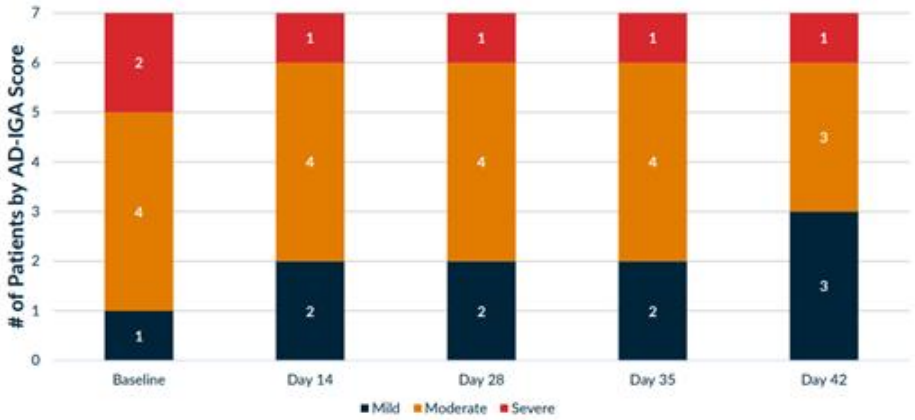
As shown in Figure 18, mean peak pruritus in AD patients over the past week or past 24 hours was reduced by 52% and 63%, respectively, with maximum reductions occurring by Day 42. Peak pruritus responders, defined as ≥4 Unit reduction in peak pruritus over the past week or past 24 hours, were seen in 57% and 71% of AD patients, respectively, with responses sustained after Day 28.

Figure 18: Peak Pruritus Numerical Rating Scale in AD patients



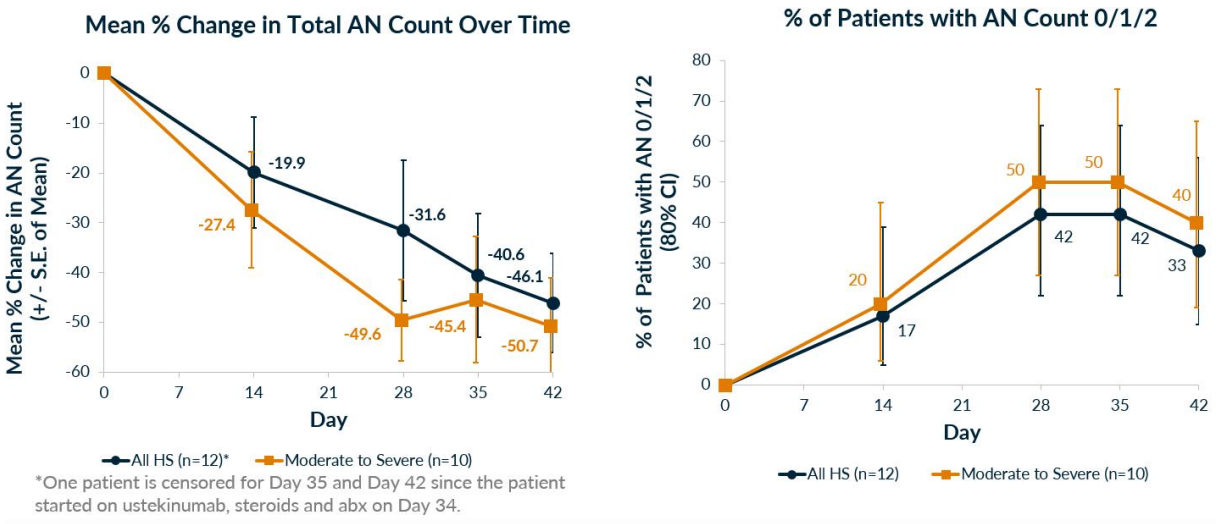
The Validated Investigator's Global Assessment (vIGA) of disease severity improved in 2 of 7 AD patients and remained stable in the others out to Day 42, as shown in Figure 19.

Figure 19: vIGA-AD Score Over Time (n=7)



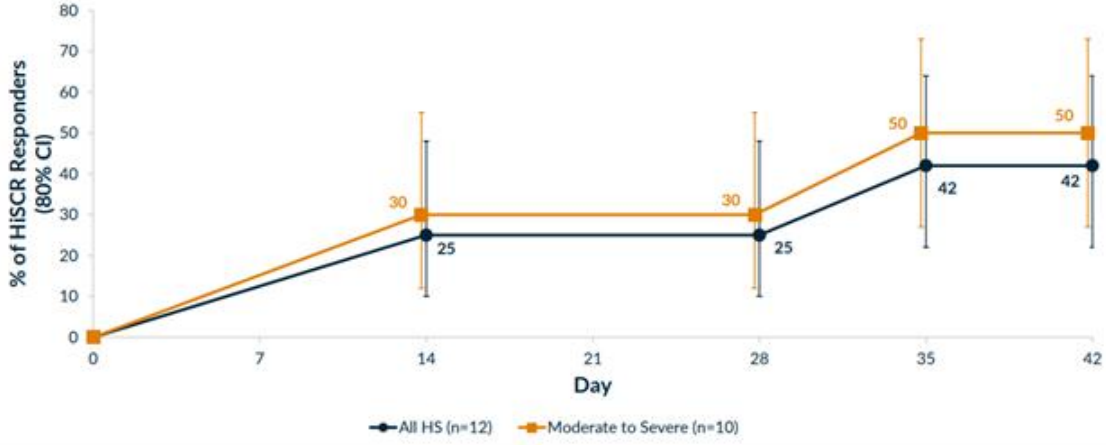
In HS patients, the efficacy analyses were performed in all patients, which included two patients with very severe disease. In addition, efficacy analyses were also performed in a subset of HS patients that only had moderate to severe disease, which was the target population for this study. As shown in Figure 20, the AN count was reduced by up to an average of 46% in all HS patients and of 51% in the moderate to severe subset, with reductions in individual patients of up to 100% and with maximum reduction occurring by Day 42. The proportion of patients achieving an AN count of 0, 1 or 2 at Day 28 was 42% in all HS patients and 50% in those with moderate to severe disease.

Figure 20: AN count over time



HiSCR50 response is defined as a 50% or greater reduction in AN count and no increase in abscesses or draining fistulas. As shown in Figure 21, at Day 42, the proportion of HiSCR50 responders was 42% in all HS patients and 50% in those with moderate to severe disease.

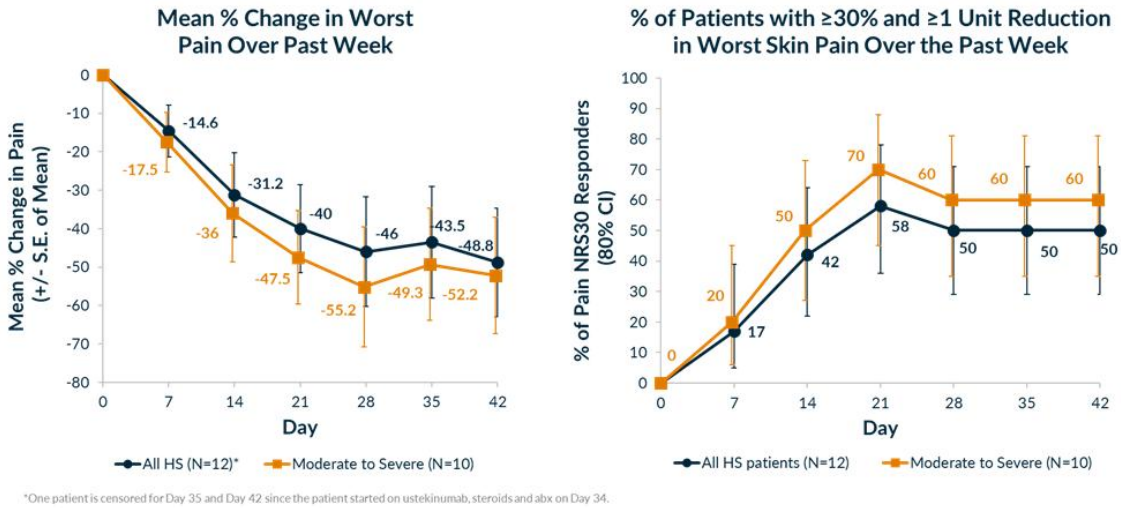
Figure 21: % of Patients with HiSCR50



HiSCR75 response, defined as 75% or greater reduction in AN count, was seen in 25% of all HS patients and 30% of those with moderate to severe disease.

Symptoms of pain and pruritus were also measured. As shown in Figure 22, there was a 49 to 55% mean reduction in the Pain Numerical Rating Scale, or NRS, in all HS patients and in those HS patients with moderate to severe disease, respectively, with maximum reduction occurring between Days 28 and 42. Pain NRS30 response is defined as at least a 30% reduction and at least one unit reduction from baseline in Pain NRS. As also shown in Figure 22, the Pain NRS responder rate was 50% in all HS patients and 60% in those HS patients with moderate to severe disease, sustained after Day 28.

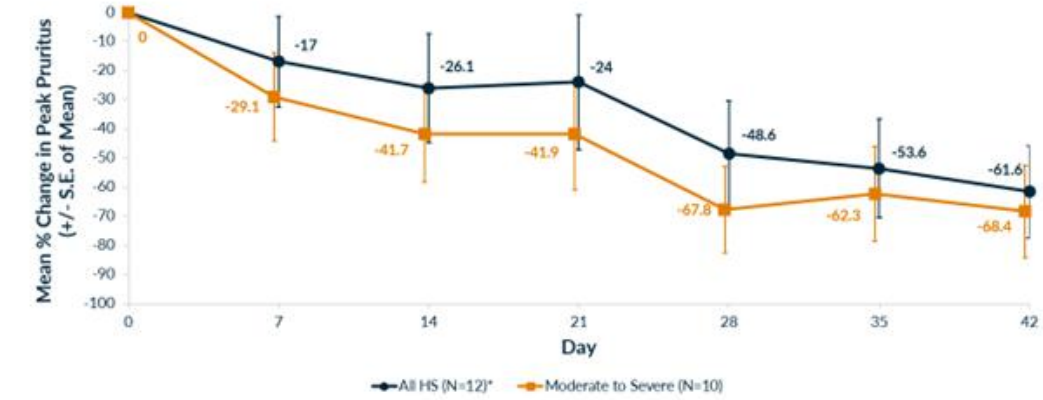
Figure 22: Pain Numerical Rating Scale in HS patients



*One patient is censored for Day 35 and Day 42 since the patient started on ustekinumab, steroids and abx on Day 34.

As shown below in Figure 23, there was a mean reduction in peak pruritus of 62% in all HS patients and 68% in those HS patients with moderate to severe disease, with maximum reduction by Day 42 in all HS patients and by Day 28 in those with moderate to severe disease.

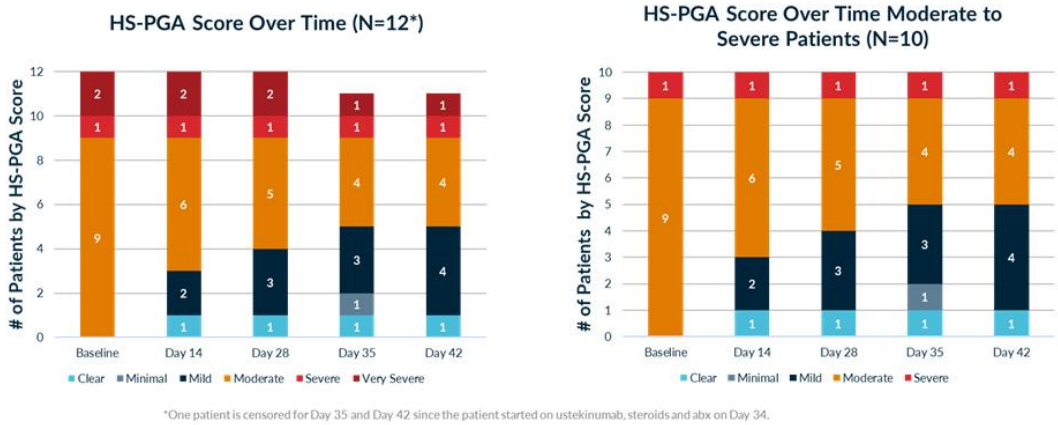
Figure 23: Mean % Change in Peak Pruritus Over Past Week



*One patient is censored for Day 35 and Day 42 since the patient started on ustekinumab, steroids and abx on Day 34.

The Physician's Global Assessment of disease severity improved in 5 HS patients, including clearing of disease in 1 patient with moderate disease at baseline, and remained stable in the other evaluable patients out to Day 42, as shown in Figure 24.

Figure 24: Physician's Global Assessment (HS-PGA)



*One patient is censored for Day 35 and Day 42 since the patient started on ustekinumab, steroids and abx on Day 34.

Clinical Development Plan

On December 14, 2022, we announced that Sanofi notified us of its commitment to advance KT-474 into Phase 2 clinical trials in 2023. Phase 2 clinical trials of KT-474 will initially investigate its potential in HS and AD with the first clinical trial for the first indication planned for initiation in 2023.

IRAKIMiD Program in Oncology

Summary

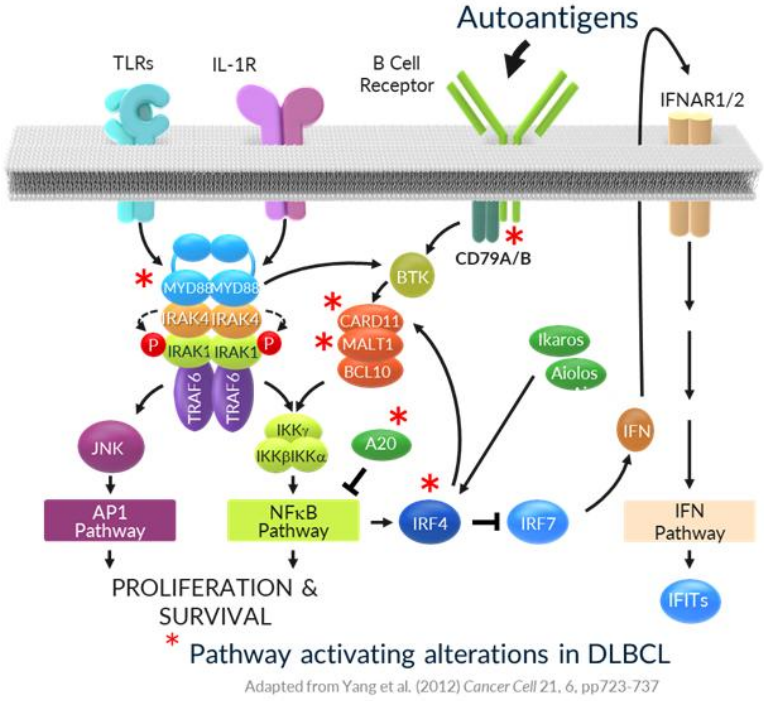
We are developing another group of IRAK4 degraders, which we call IRAKIMiDs, with a unique profile that combines the activity of IRAK4 degradation and IMiDs for the treatment of MYD88-mutated DLBCL. In oncology, IRAK4 is an obligate protein in MYD88 signaling and this activated mutation is well characterized to drive oncogenesis. IMiDs are a class of drugs that degrade zinc-finger transcription factors, such as Ikaros and Aiolos, resulting in the restoration of Type 1 IFN signaling pathway which is relevant in treating lymphoma. Our IRAKIMiDs combine the activity of the IMiDs with IRAK4 degradation in a single agent and address both the IL-1R/TLR and the Type 1 IFN pathways synergistically with a goal of demonstrating broad activity against MYD88-mutant lymphomas. We believe this will be the first precision medicine in lymphoma to target a genetically defined population, which accounts for at least 25% of the estimated approximately 150,000 DLBCL patients currently diagnosed in the major global markets. We have observed the degradation of IRAK4 and IMiD activity results in additivity and synergy in vitro. IRAKIMiDs combine both of these mechanisms in a single compound. Our IRAKIMiD degrader, KT-413, has been observed to have broad activity against MYD88-mutant lymphomas in vitro and in mouse xenograft models, leading to rapid, complete and sustained tumor regressions, even when dosed intermittently. We are currently evaluating our IRAKIMiD degrader, KT-413, in a Phase 1 clinical trial in patients with relapsed/refractory B cell lymphomas, including MYD88 mutant DLBCL. Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023.

Target Rationale and Mechanism of Action

In DLBCL, the activating mutation of MYD88 drives activation of the NF-KB transcription factor and pro-survival mechanisms such as IRF4. MYD88 is a protein that forms a multiprotein signaling complex, known as the myddosome, which transduces receptor agonism from both the TLR and IL-1 b receptors. IRAK4 is an integral component of the myddosome, and both its catalytic kinase activity as well as its scaffolding function are required to drive downstream signals from the myddosome.

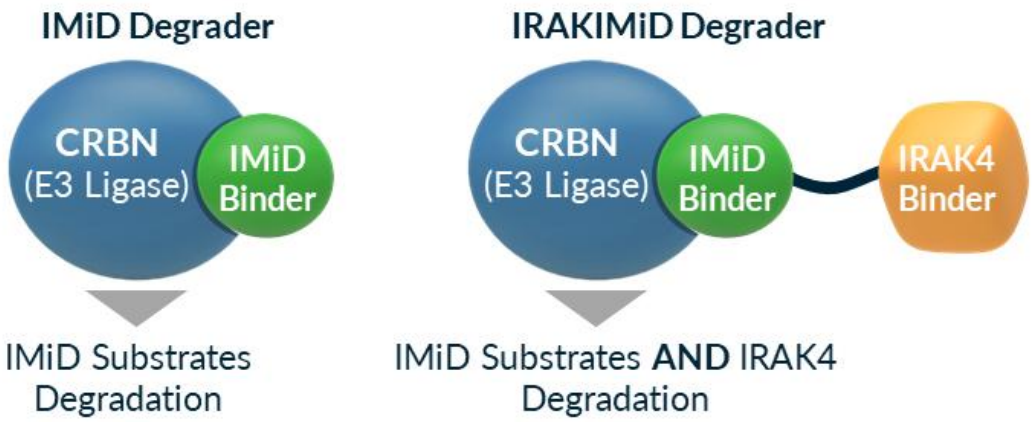
The constitutive activation of NF-KB is a hallmark of several B-cell lymphoma subtypes. In DLBCL, NF-KB activation is driven by a range of oncogenic alterations in several upstream pathways and regulators. Multiple co-mutations in these complexes often occur within the same tumor, emphasizing the dependence of these cancers on NF-KB activation. IMiDs such as lenalidomide drive a partial downregulation of NF-KB and IRF4, resulting in the restoration of Type 1 IFN signaling and promoting cell death.

Figure 25. NF-KB is Activated by Complimentary Mechanisms in Diffuse Large B Cell Lymphoma.



Leveraging knowledge and chemistry expertise derived from the design of our selective IRAK4 degrader program, we have designed a novel class of heterobifunctional IRAK4 degraders, which we call IRAKIMiDs, that utilize an active IMiD as the cereblon binder to simultaneously engage and degrade both IRAK4 and IMiD substrates, such as Ikaros and Aiolos, thus combining the activity of two molecules in a single agent. IRAKIMiDs therefore combine two highly relevant therapeutic mechanisms in a single compound, enabling the functional synergy of NF-kB inhibition and upregulation of the Type 1 IFN response that results in increased and broader single-agent activity in MYD88-mutated DLBCL as compared to either mechanism alone.

Figure 26. IRAKIMiDs (right) Combine Both IRAK4 Degradation and IMiD Activity in a Single Agent.



Development Opportunities and Differentiation of Novel Therapies in MYD88-Mutated DLBCL

Oncogenic mutations of MYD88, most commonly MYD88L265P, are common in several subsets of DLBCL. In particular, MYD88 is estimated to be mutated in approximately 30-40% of activated B cell DLBCL, or ABC-DLBCL, cases; 30-80% of primary CNS lymphoma cases; and 45-75% of primary extranodal lymphomas cases. In addition, MYD88 is mutated in approximately 90% of Waldenström macroglobulinemia cases. The presence of MYD88 mutations in DLBCL is often associated with poorer response to chemotherapy and reduced overall survival compared to other genetic subtypes, supporting the need for more effective therapies targeting MYD88-mutated DLBCL.

Front-line treatment of DLBCL typically involves the R-CHOP treatment regimen of chemotherapy combined with rituximab. While effective in many other patients, front-line chemotherapy has significantly poorer survival rates in DLBCL subsets where MYD88 mutations are prevalent. In additional lines of therapy, several novel targeted therapies have been approved recently, including the combination of polatuzumab, bendamustine and rituximab, as well as CD19-targeting chimeric antigen receptor T-cells. While these agents have some notable activity, many patients fail to respond to or subsequently relapse from these therapies, with no adequate treatment options. Several targeted therapies that impact the NF-kB pathway, such as the Bruton's tyrosine kinase inhibitor ibrutinib, or the IMiD lenalidomide, have shown modest single agent activity, with poor durability of response in MYD88-mutated DLBCL.

Based on our preclinical data, we believe KT-413, which synergistically combines the activity of both IRAK4 and IMiD substrate degradation to exploit complimentary pathway signaling, will have the potential to improve upon the efficacy of IRAK4 kinase inhibitors and other therapies, including BTK inhibitors and IMiDs, and provide single-agent activity in MYD88-mutated DLBCL.

Preclinical Studies and Data

In support of our preclinical development, we have observed our IRAKIMiD degraders' high selectivity and therapeutic potential in both in vitro and in vivo studies.

To assess the activity of our IRAKIMiD degraders in both MYD88-mutated and -wild-type cells lines, we conducted various in vitro studies in a panel of cell lines. MYD-88-mutated cell lines included ABC-DLBCL lines such as OCI-Ly10, SUDHL2, and TMD8 while MYD-88-wild-type cell lines included OCI-Ly19, U2932, and SUDHL6. We have shown that IRAK4 degradation, as opposed to IRAK4 inhibition, shows additivity and synergy when combined with IMiDs in vitro. Specifically, combining an IRAK4 degrader with the IMiD pomalidomide shows additive and synergistic activity in several MYD88-mutated cell lines in vitro, supporting the combined effect of targeting both the MYD88 and IRAK4 pathways together. Notably, we did not see an additive effect when IRAK4 kinase inhibitors were combined with IMiDs, suggesting that the greater activity of IRAK4 degradation is needed for synergistic activity. We believe these data support the development of our unique class of IRAKIMiD degraders.

KT-413 is a potent degrader of IRAK4 and the IMiD substrates, Ikaros and Aiolos with single digit nM DC50 values against all three targets with maximal growth inhibition observed with approximately 80% target knockdown. As shown in Figure 27, KT-413 is more potent and more active in MYD88-mutated DLBCL than either an IRAK4-selective degrader compound, or a clinically active IMiD, supporting our hypothesis that simultaneous degradation of IRAK4 and IMiD substrates is more effective than degrading either alone.

Figure 27. KT-413 Potency

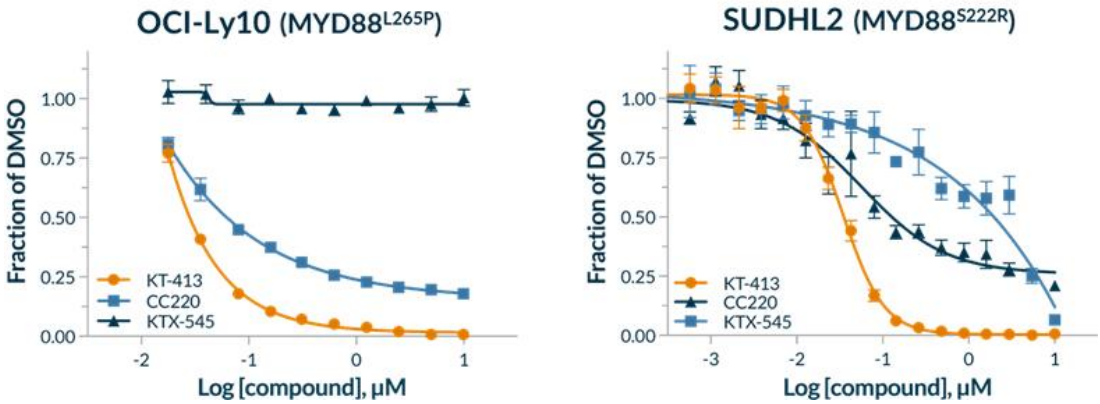
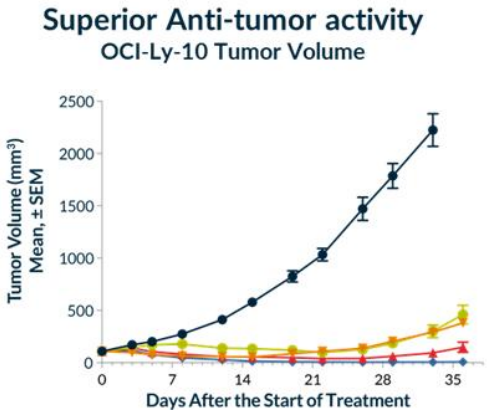


Figure 28 summarizes results of in vivo experiments in xenograft models of MYD88 mutant DLBCL demonstrating profound antitumor activity with durable complete responses in animals treated with KT-413 on intermittent dosing schedules as infrequent as every 2 or 3 weeks. As shown, this level of activity is superior to that of an IRAK4 kinase inhibitor or the clinically active latest generation IMiD compound.

Figure 28. KT-413 *In vivo* xenograft models

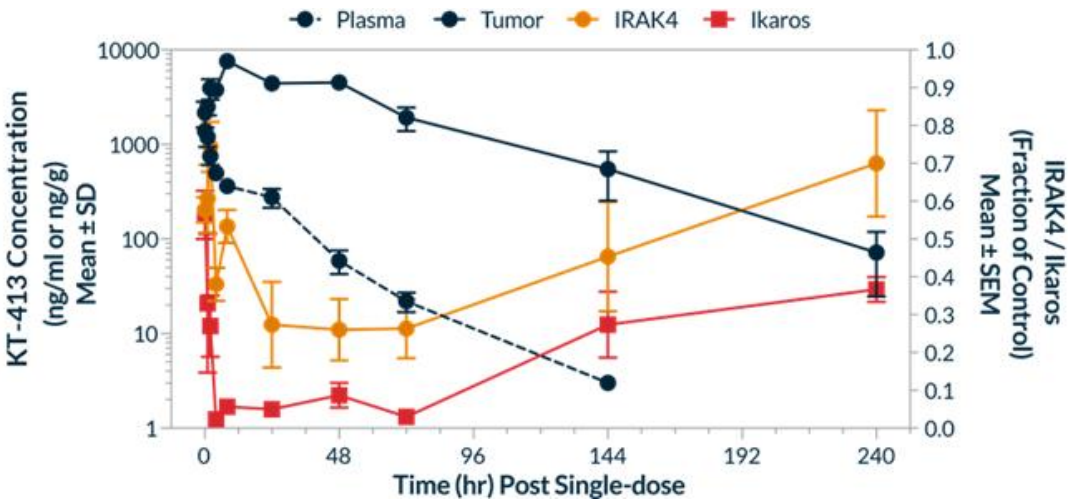


Drug (day 33)	T/C% (REG%)	CR	PR	SD	PD
CA-4948	9	0	0	0	7
CC-220	9	0	0	0	7
KT-413 5mg/kg	(14)	1	0	3	3
KT-413 10 mg/kg	(94)	5	2	0	0

IV Vehicle
CA-4948, 150 mg/kg, PO, QD x 37
CC-220, 3 mg/kg, PO, QD x 21
KT-413, 5 mg/kg, IV, D1,2,15,16
KT-413, 10 mg/kg, IV, D1,2,21,22

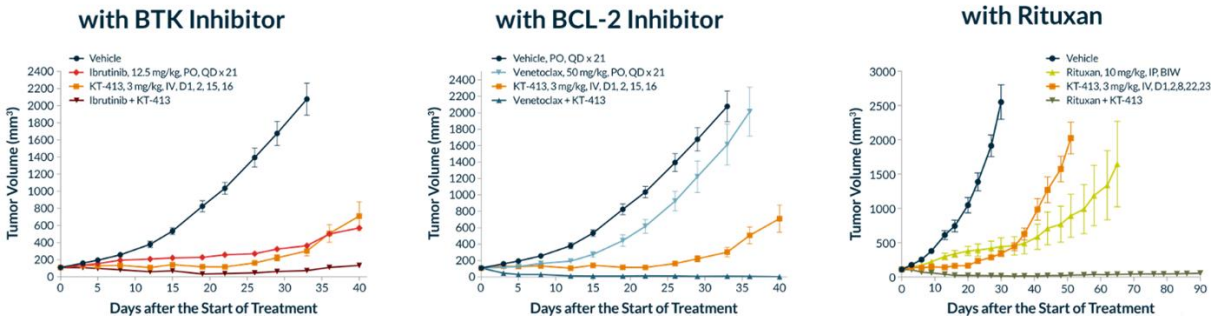
Figure 29 highlights the unique PK/PD properties of KT-413 that result in protracted tumor exposure and robust knockdown of the targets for at least 72 hours, committing tumor cells to apoptosis that leads to tumor regressions.

Figure 29. Super Anti-Tumor Activity



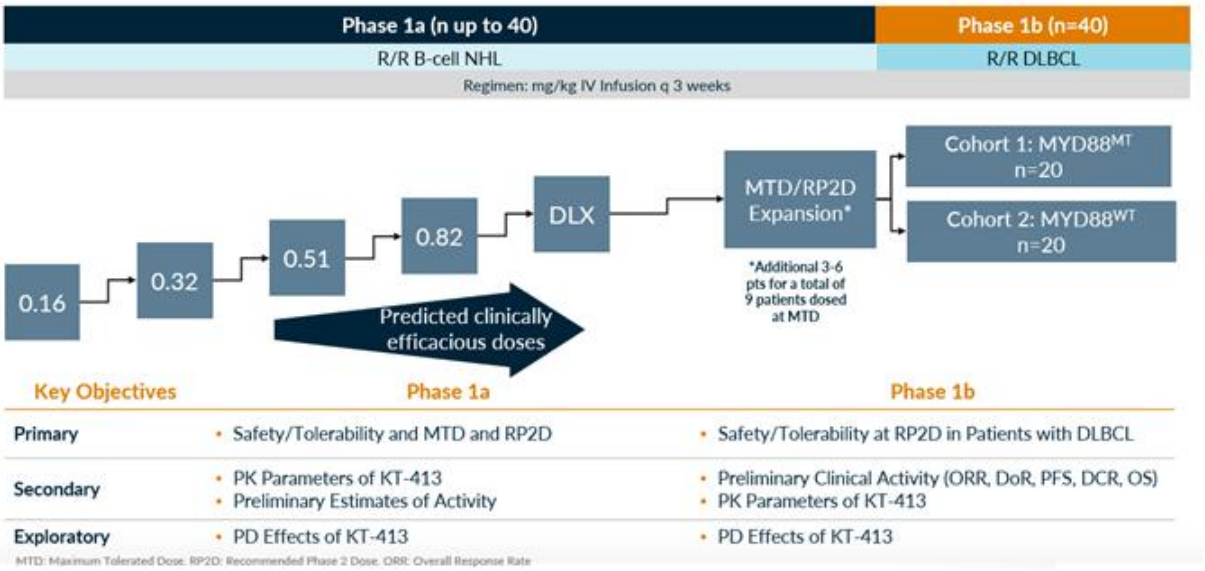
In addition to the robust single agent antitumor effects of KT-413, Figure 30 summarizes the combination data with agents used in the treatment of lymphoma. In these experiments conducted in MYD88 mutant DLBCL models, sub-optimal doses of KT-413 combined with ibrutinib (BTK) venetoclax (BCL-2 inhibitor), or rituximab (Rituxan, an anti-CD-20 monoclonal antibody), showed deep and durable regressions highlighting the potential of KT-413 combination to be used in earlier lines of therapy in patients with MYD88 mutant lymphoma.

Figure 30. KT-413 Combination therapy



In 2022, we initiated our Phase 1 clinical trial of KT-413 to evaluate the safety, tolerability, PK/PD and clinical activity of KT-413 administered as an intravenous, or IV, infusion once every 3 weeks to adult patients with relapsed and/or refractory B-cell non-Hodgkin's lymphomas. Figure 31 below shows the details of the trial design.

Figure 31: KT-413 Phase 1 Clinical Trial Design



In December 2022, we announced that dose level 1 (0.16 mg/kg) and dose level 2 (0.32 mg/kg) were completed. Patients in both dose cohorts were heavily pretreated, having received multiple prior lines of therapy, and included follicular lymphoma and nodular lymphocyte-predominant Hodgkin lymphoma, which were both wild-type for MYD88. Plasma PK and PD translated as we expected in humans with dose level 1 and dose level 2 showing dose-dependent degradation of IRAK4, Ikaros and Aiolos in PBMC, with up to 95/100% knockdown of Ikaros/Aiolos and 40% knockdown of IRAK4 in dose level 2 as summarized below in Figure 32.

Figure 32: Target Degradation in PBMC by FLOW

Dose Level	Cycle 1	Cycle 2
DL1	-16%	0
DL2	-27%	-40%

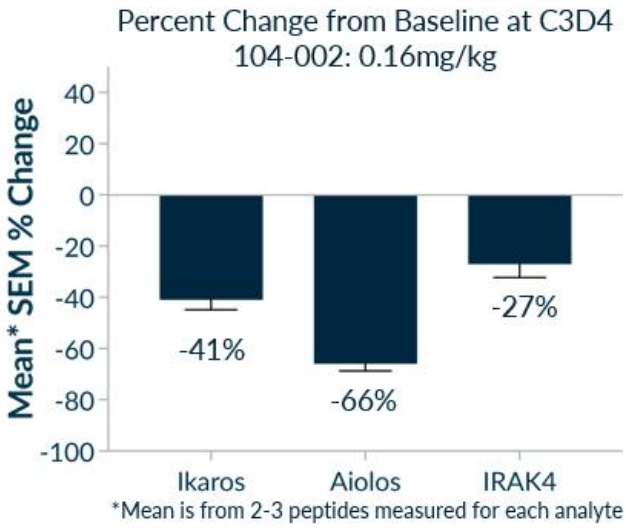
Dose Level	Cycle 1	Cycle 2
DL1	-84%	-88%
DL2	-92%	-95%

Dose Level	Cycle 1	Cycle 2
DL1	-93%	- 91%
DL2	-100%	-100%

- Up to 40% KD of IRAK4 and 95/100% KD of Ikaros and Aiolos in PBMC at DL1-2

Figure 33 highlights that serial tumor biopsies at Cycle 3/Day 4 in the patient treated at dose level 1 showed comparable knockdown of Ikaros/Aiolos and IRAK4 as in plasma.

Figure 33: Target Knockdown in Tumor by Targeted MS



There were no dose limiting toxicities or treatment-related serious adverse events and no neutropenia observed in dose level 1 and dose level 2 patient cohorts.

Clinical Development Plan

The Phase 1a dose escalation portion of the trial is ongoing. We currently anticipate dose levels 3 and 4 to be clinically active doses, and we plan to provide additional clinical data in 2023.

STAT3 Degrader for Cancer and Autoimmune/Fibrotic Diseases

Summary

We are developing our selective STAT3 degraders for the treatment of hematological malignancies and solid tumors, as well as autoimmune diseases and fibrosis. STAT3 is a transcription factor activated through a variety of different cytokine and growth factor receptors via JAKs, as well as through oncogenic fusion proteins and mutations in STAT3 itself. We believe the diverse functions of STAT3 in tumor biology, evasion of immune surveillance by tumor cells, and inflammation and fibrosis provide opportunities to address a wide variety of high unmet need disease indications through the targeting of a single genetically and clinically validated pathway. While the JAK-STAT pathway has been partially addressed with several clinically successful JAK-targeting agents, we believe there are currently no drugs that specifically affect STAT3 broadly across all the relevant cell types. Small molecule STAT3 dimerization inhibitors targeting the SH2 domain have been in development, but significant challenges remain: first, homology of SH2 domains among all STAT family members impacts the ability to achieve specificity for STAT3, and second, inability to block dimerization independent transcriptional activities of STAT3. For these reasons, we believe that STAT3 degraders may provide a transformative solution to develop targeted and specific drugs to address multiple STAT3 dependent pathologies.

In September 2022, our STAT3 degrader, KT-333, was granted its second orphan drug designation by the FDA for the treatment of cutaneous T-cell lymphoma, following its orphan drug designation for peripheral T-cell lymphoma, earlier that year. We are currently evaluating KT-333 in a Phase 1 clinical trial in patients with relapsed/refractory liquid and solid tumors, including aggressive lymphomas. Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023.

Biology and Mechanism of Action of STAT3 Degrader

STAT3 (signal transducer and activator of transcription 3) is a transcription factor and a member of the STAT protein family. In response to cytokines and growth factors, STAT3 is phosphorylated by receptor-associated serine/threonine kinases, and phosphorylated STAT3, or p-STAT3, then forms dimers that translocate into the nucleus, bind to DNA, and regulate transcription of a wide variety of genes involved in oncogenesis, inflammation and fibrosis. STAT3 is frequently mutated and activated in numerous cancers, including clinically aggressive hematologic malignancies with high unmet medical need. Mechanistically, aberrant activation of STAT3 has been directly linked to the promotion of cancer cell survival, proliferation, and metastasis. In addition, STAT3 regulates the crosstalk between tumor, stroma, and immune cells to promote an immunosuppressive tumor microenvironment. STAT3 activation by IL-6 and TGF-ß is also involved in the pathogenesis of autoimmunity and fibrosis. These various roles of STAT3 in disease pathogenesis make it an attractive target for drug development in cancer and autoimmune and fibrotic diseases.

Differentiation from JAK and IL-6 Inhibitors

Small molecule inhibitors against JAK family kinases, such as JAK1, JAK2, JAK3, and TYK2, have been approved for the treatment of autoimmune diseases such as RA, psoriatic arthritis, and ulcerative colitis and target the JAK2/STAT5 pathway. In oncology, JAK inhibitors have been approved for hematological malignancies with mutations leading to activation of the JAK2/STAT5 pathway, including primary myelofibrosis and polycythemia vera, and for acute graft versus host disease. JAK inhibitors block signaling of a number of cytokines and growth factors and reduce activation not only of STAT3 but also STAT1 and STAT5 in response to these stimuli. For modulating anti-tumor effects, this broad activity may have conflicting consequences. In particular, the inhibition of STAT1 activity dampens anti-tumor immune responses by cytolytic T cells and antigen presenting cells, thereby counteracting a productive immune response that could be achieved by inhibition of STAT3 alone. As a result, JAK inhibitors have not shown clinical activity in cancer beyond the myeloproliferative neoplasms. The broad activity of JAK inhibitors is also associated with class-specific adverse effects. By targeting STAT3 selectively, these immunosuppressive and safety liabilities associated with broader STAT1 and STAT5 inhibition through JAK inhibition may be avoided while also effectively addressing JAK-dependent and independent activation of STAT3.

Monoclonal antibodies directed against pro-inflammatory cytokines such as IL-6 or their receptors IL-6R have also been approved for select autoimmune diseases. However, autoimmune and fibrotic diseases and certain cancers are often regulated

by multiple cytokines. As such, targeting STAT3 has the potential to be more effective since it is involved in signaling by not just IL-6, but also by TGF-ß and cytokines such as IL-12, IL-2 and IL-15. Consequently, targeting STAT3 directly has the potential to block multiple signaling pathways that converge on STAT3 and reverse pathological processes that contribute to a tumor-permissive microenvironment.

Development Opportunities

The multiple effects of a STAT3 degrader on oncogenesis, tumor cell resistance to tyrosine kinase inhibitors and chemotherapy, and evasion of immune surveillance provide multiple development opportunities in hematologic malignancies and solid tumors. Additionally, the role of STAT3 in chronic inflammation and fibrosis, as also observed in patients with germline STAT3 gain-of-function mutations, informs opportunities in autoimmune and fibrotic diseases.

Hematologic Malignancies

Oncogenic STAT3 mutations and/or STAT3 pathway activations are highly common in peripheral T-cell lymphoma, or PTCL and cutaneous T-cell lymphoma, or CTCL. PTCL has an estimated prevalence of approximately 40,000 patients in the major global markets and CTCL has an estimated prevalence of approximately 100,000 patients across the major global markets. STAT3 mutations and pathway activations along with responsiveness of PTCL subsets and CTCL to immune checkpoint inhibitors point to a dependency on STAT3 in these indications and therefore the opportunity to develop a STAT3 degrader as a monotherapy. The standard of care for first-line treatment of PTCL is the combination of brentuximab vedotin, a CD30-directed antibody-drug conjugate, and chemotherapy. The majority of PTCL patients, including ALK-ALCL, PTCL-Not Otherwise Specified, AITL and NK/T lymphoma subtypes, eventually progress and die of their disease. For patients with refractory/relapsed disease, current treatment options are limited and approved therapies pralatrexate and romidepsin have shown limited efficacy. High prevalence of STAT3 mutations (approximately 13-38%) and STAT3 pathway activation (up to 90%) is found in these refractory/relapsed PTCL subsets with high unmet need. Given the documented effect of STAT3 downregulation on levels of programmed death-ligand 1, or PD-L1, we expect our STAT3 degrader to have a dual effect in these patients. In CTCL patients with advanced stage disease and the highest levels of STAT3 activation, there are no curative therapies and no standard of care. Antibody-drug conjugates, HDAC inhibitors, and immune checkpoint inhibitors have some activity and are used upfront or in refractory/relapsed patients, but there remains a high unmet need for an effective therapeutic with both tumor-intrinsic as well as immunomodulatory antitumor effects.

STAT3 pathway activation is also present in virtually all patients with T- and NK-cell large granular lymphocytic leukemia, and up to 70% of patients have oncogenic STAT3 mutations. These findings are highly indicative of STAT3 dependency, which is further supported by the preliminary clinical activity of JAK inhibitors in these patients. STAT3 activation is also commonly observed in AML and in DLBCL even though STAT3 mutations are infrequent. PD-L1 overexpression in DLBCL has been linked to worse disease outcomes and responses to anti-PD-1/PD-L1 drugs have been reported in these patients. Given STAT3 has downstream impact on PD-1/PD-L1, we believe that a STAT3 degrader has the potential to achieve profound clinical effects both as a monotherapy and in combination with other active drugs.

Solid Tumors

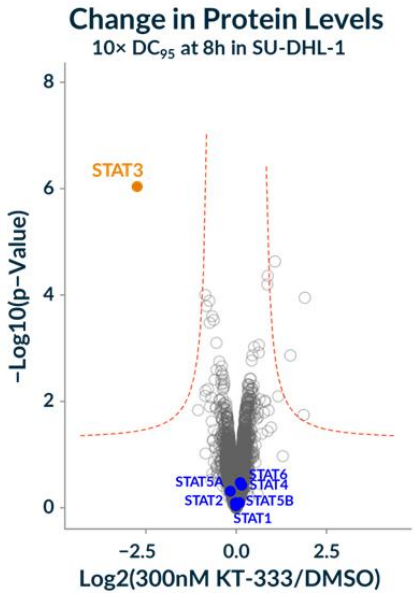
Cancers that are responsive to anti-PD-1/PD-L1 immune checkpoint inhibitors (ICIs) and tyrosine kinase inhibitors (TKIs), including non-small cell lung cancer, or NSCLC, head and neck squamous cell carcinoma, or HNSCC, breast cancer and colorectal cancer, are compelling development opportunities due to the established role of STAT3 in solid tumor resistance to ICIs and TKIs. Specifically, STAT3 degraders have the potential to improve responses upfront in combination with these modalities or overcome acquired resistance as add-on therapy in second line.

Autoimmune and Fibrotic Diseases

Patients with rare germline STAT3 gain-of-function mutations develop multiple autoimmune and fibrotic diseases, including systemic sclerosis, or SSc, AD, interstitial lung disease, enteropathies, and RA. We believe these manifestations, and their response to JAK inhibitors, provide support for STAT3 degrader development in immunology and inflammation. There are numerous publications that highlight the role of STAT3-mediated IL-6 and TGF-ß signaling in the pathogenesis of SSc, idiopathic pulmonary fibrosis, or IPF, Crohn’s disease, and multiple sclerosis. There remains a high unmet need for drugs that can target both the inflammation and fibrosis in SSc, IPF and other diseases that cause Progressive Fibrosing Interstitial Lung Disease (PF-ILD) and halt or reverse disease progression. A STAT3 degrader has the potential for this dual effect and could therefore provide a transformative approach to treating PF-ILD as well as Crohn’s disease and RA.

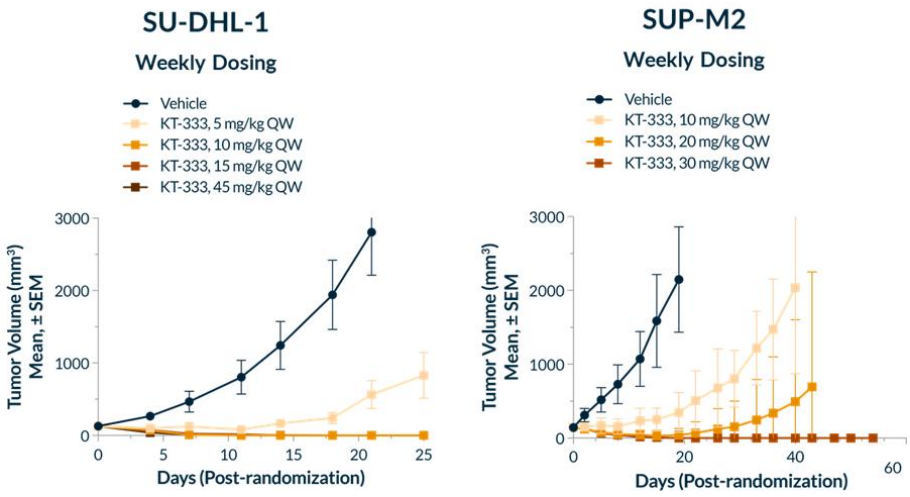
Figure 34 shows the selectivity of our STAT3 degrader as evidenced by proteomic analysis demonstrating that at KT-333 concentrations 10-fold greater than the DC95, STAT3 is the only protein to be degraded among over 10,000 proteins evaluated including other closely related STAT family members.

Figure 34. Change in Protein Levels



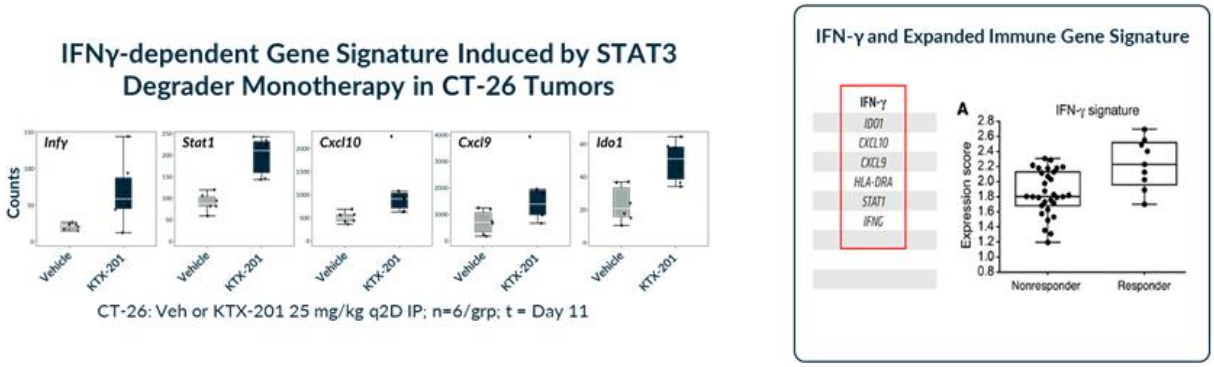
The in vivo activity of KT-333 is summarized in Figure 35, which shows weekly administration resulting in robust antitumor activity with full regressions that are durable in animals bearing STAT3-dependent T cell lymphomas. These regressions were associated with >90% STAT3 knockdown in tumors.

Figure 35. KT-333 In vivo activity



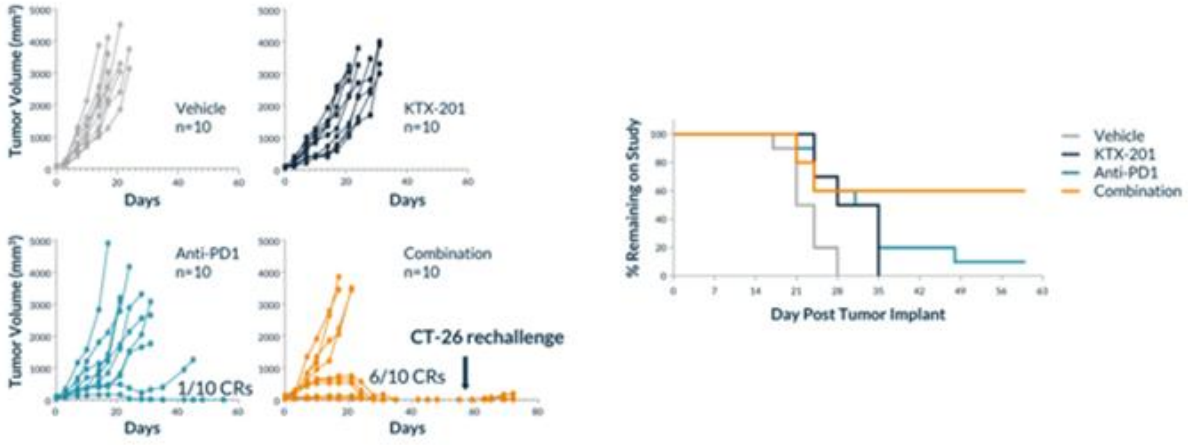
While KT-333 single agent leads to profound anti-tumor activity, based on the role of STAT3 in the tumor microenvironment, additional studies were undertaken to explore the potential immune effects of STAT3 degraders on tumors. Figure 36 summarizes results from a mouse syngeneic colorectal cancer model, in which a STAT3 degrader resulted in an IFN-gamma-dependent gene expression signature that has previously been identified as a predictor of response in cancer patients treated with pembrolizumab. These findings are consistent with STAT3's role in remodeling the tumor microenvironment and provide the rationale for combining STAT3 degraders with immune checkpoint inhibitors.

Figure 36. Mouse Syngeneic Colorectal Cancer Model



As shown in Figure 37, a mouse syngeneic CT-26 colorectal cancer model, the addition of KT-333 augmented the activity of a PD-1 inhibitor in a syngeneic mouse model of colorectal cancer (CT-26), resulting in complete regressions in a majority of animals. Furthermore, in the combination group, there was no tumor growth when re-challenged one month after last dose, suggesting development of long-term immune memory. In addition to causing tumor regressions, the combination extended survival relative to either PD-1 inhibitor or STAT3 degrader alone. Collectively, we believe these data suggest that the addition of STAT3 degraders could significantly augment the clinical efficacy of immune checkpoint inhibitors.

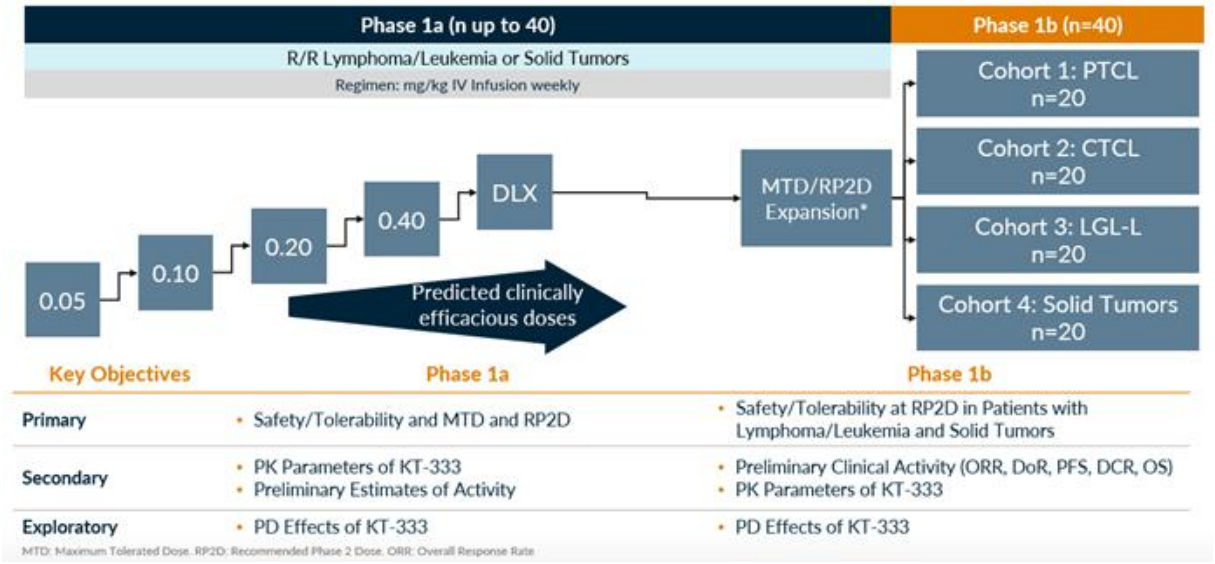
Figure 37. STAT3 Degradation and Anti-PD-1 Synergy



Clinical Studies and Data

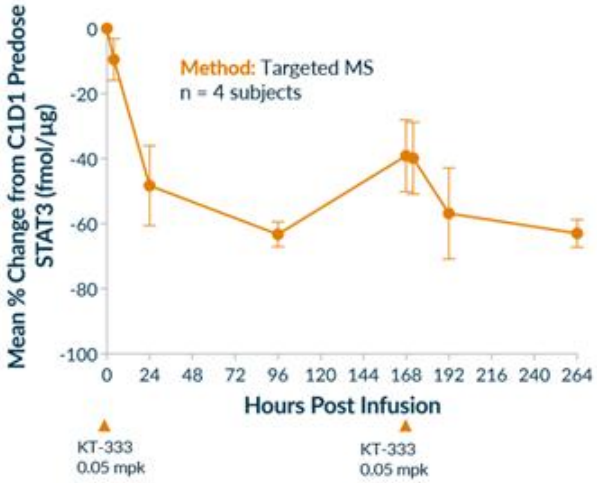
In 2022, we initiated our Phase 1 clinical trial of KT-333 to evaluate the safety, tolerability, PK/PD and clinical activity of KT-333 dosed weekly on Days 1, 8 and 15 of 28-day cycles in adult patients with relapsed and/or refractory lymphomas, leukemias and solid tumors. Figure 38 below shows the details of the trial.

Figure 38: KT-333 Phase 1 Clinical Trial Design



In December 2022 we announced that dose level 1 (0.05 mg/kg) had been completed with a total of four patients enrolled. All patients were heavily pretreated with multiple prior lines of therapy and included three patients with solid tumors and one patient with cutaneous T-cell lymphoma. As summarized in Figure 39, plasma PK and PD translated as we expected in humans with mean maximum STAT3 degradation in PBMC following the first 2 doses averaging 66%, with maximum STAT3 knockdown of up to 86% as measured by mass spectrometry.

Figure 39: Clinical Pharmacodynamics in Peripheral Blood Mononuclear Cells by Mass Spectrometry



Subject ID	Mean Max Degradation* Post-doses 1&2 (Range)
DL1-1	-79.8 % (-75.6 % to -84.1 %)
DL1-2	-67.8 % (-73.5 % to -62.0 %)
DL1-3	-50.0 % (-47.4 % to -52.6 %)
DL1-4	-66.7 % (-47.7 % to -85.8 %)
Cohort Average	-66.0 %

*Max degradation as measured across timepoints sampled

There were no dose limiting toxicities or treatment-related serious adverse events observed in dose level 1.

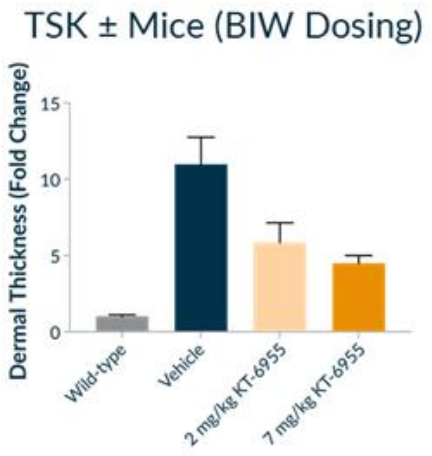
Clinical Development Plans

The Phase 1a dose escalation portion of the trial is ongoing. We currently anticipate dose levels 3 and 4 to be clinically active doses, and we expect to provide additional clinical data in 2023.

Preclinical Studies and Data in Autoimmunity

The following figures summarize the results of multiple preclinical experiments demonstrating robust antifibrotic and anti-inflammatory activity of STAT3 degraders in mouse models of systemic scleroderma, arthritis, and CNS inflammation. In the Tight Skin model, shown in Figure 40, a spontaneous TGF beta dependent model of fibrosis that is representative of scleroderma, STAT3 degradation resulted in significant reduction in skin thickening and completely inhibited myofibroblast contraction in an in vitro gel contraction assay.

Figure 40. *In Vivo* tight Skin Model (Fibrosis)



In the Collagen Induced Arthritis (CIA) model, which is a prototypical model of RA, as shown in Figure 41, STAT3 degradation reduced the clinical signs of disease in a dose dependent manner. The effect of STAT3 degrader is also reflected by the significant reduction in pathology scores and periosteal bone growth.

Figure 41. *In Vivo* CIA Model (RA)

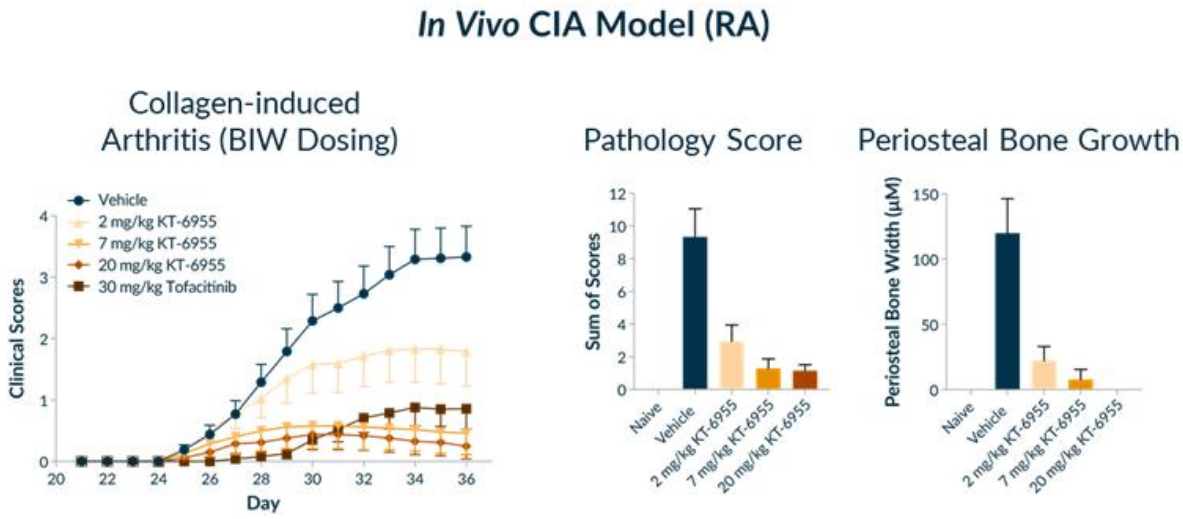
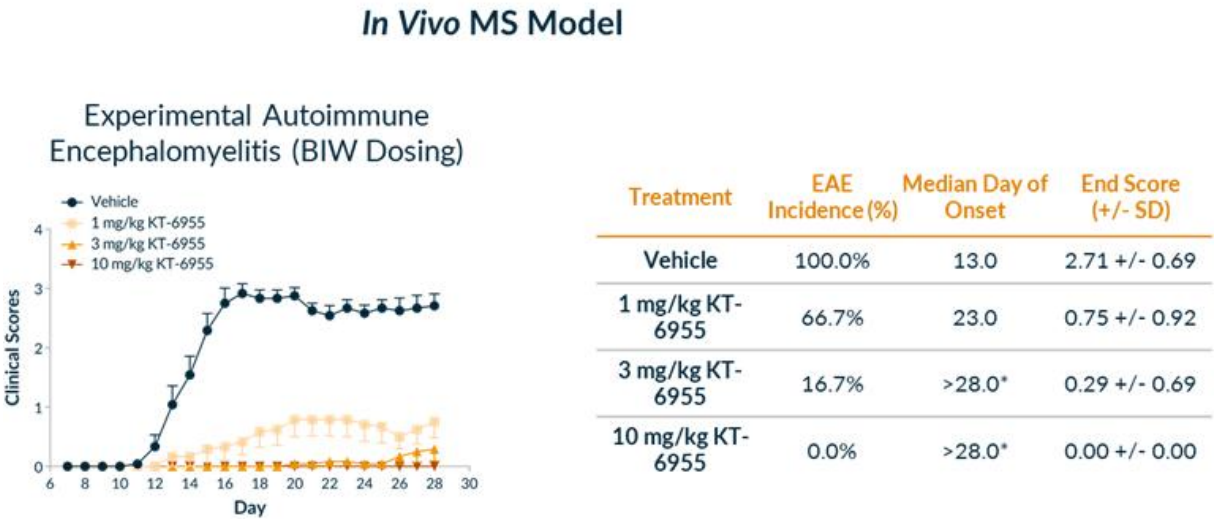


Figure 42 illustrates the effect of STAT3 degradation in the Experimental Autoimmune Encephalomyelitis (or EAE) model representative of MS. In this model STAT3 degradation not only had a profound effect on severity of disease but also greatly reduced the incidence of disease and delayed onset of encephalomyelitis in the animals.

Figure 42. *In Vivo* MS Model



Treatment	EAE Incidence (%)	Median Day of Onset	End Score (+/- SD)
Vehicle	100.0%	13.0	2.71 +/- 0.69
1 mg/kg KT-6955	66.7%	23.0	0.75 +/- 0.92
3 mg/kg KT-6955	16.7%	>28.0*	0.29 +/- 0.69
10 mg/kg KT-6955	0.0%	>28.0*	0.00 +/- 0.00

Collectively, these findings highlight the pleiotropic effects of STAT3 degraders in fibrosis and inflammation, demonstrating the potential for this approach across a broad spectrum of autoimmune diseases.

MDM2

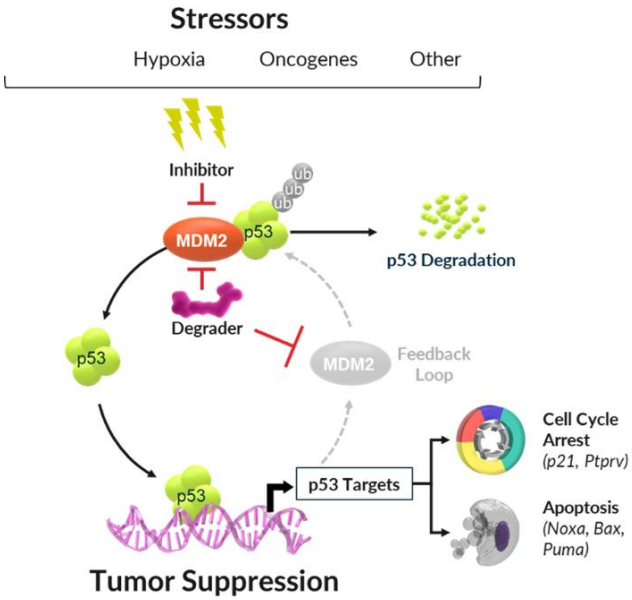
Summary

We are developing degraders that target MDM2 for the treatment of solid tumors and hematological malignancies. MDM2 is the crucial regulator of the most common tumor suppressor, p53, which remains intact (or wild type) in more than 50% of cancers. Unlike small molecule inhibitors, our MDM2 degrader, KT-253, has been shown preclinically to have the ability to overcome the MDM2 feedback loop and rapidly induce apoptosis, even with brief exposures. In December 2022, we announced that we received clearance from the FDA for our IND for KT-253. We plan to initiate a Phase 1 clinical trial of KT-253 in early 2023, which is designed to evaluate the safety, tolerability, PK/PD and clinical activity of KT-253 in adult patients with liquid and solid tumors.

Target Rational and Mechanism of Action

MDM2 is the major E3 ligase which controls the tumor suppressor p53. p53 is functional in close to 50% of cancers, both liquid and solid, and many p53 functional cell lines are dependent on MDM2 overexpression for p53 suppression and survival. Stabilization and upregulation of p53 by removal of MDM2 by degradation can cause cells to undergo cell death and/or cell cycle arrest. While MDM2 small molecule inhibitors have shown clinical activity in a variety of tumor types, the activity has been limited as a result of the inhibition of MDM2 leading to a feedback loop, as shown in Figure 43. This feedback loop results in upregulation of MDM2 protein expression, which in turn makes it more difficult for occupancy-driven small molecules to inhibit MDM2. As a result, small molecule inhibitors have had a more modest effect on p53 upregulation which often leads to cell cycle arrest rather than apoptosis, thereby limiting the efficacy of MDM2/p53 small molecule inhibitors. This feedback loop also necessitates more chronic exposure to drug to maintain modest MDM2 inhibition in tumors, potentially leading to toxic effects on normal cells that limits the safety and tolerability of these inhibitors. Degraders have the potential to overcome the MDM2 feedback loop by completely removing the protein in a catalytic manner. This enables the development of highly potent drugs that are able to induce strong p53 upregulation and an irreversible acute apoptotic response in tumor cells with just brief exposures, thereby maximizing efficacy and improving the safety profile by allowing time for the recovery of normal cells.

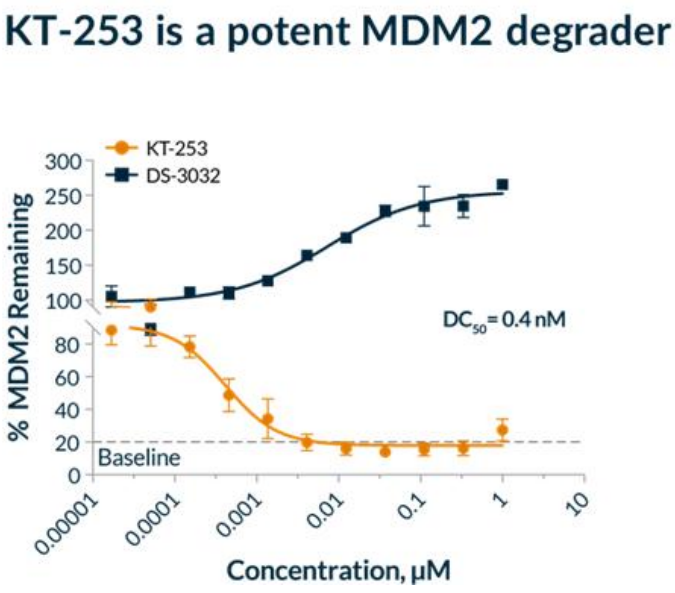
Figure 43. MDM2 Feedback Loop



Preclinical Data

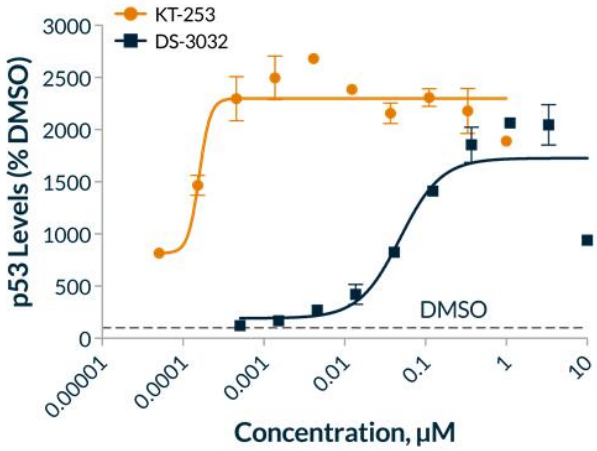
KT-253 is designed as a potent and selective degrader of MDM2. Figure 44 displays the sub-nanomolar potency of KT-253 as compared to a small molecule inhibitor currently in clinical trials.

Figure 44. KT-253 Sub-nanomolar Potency



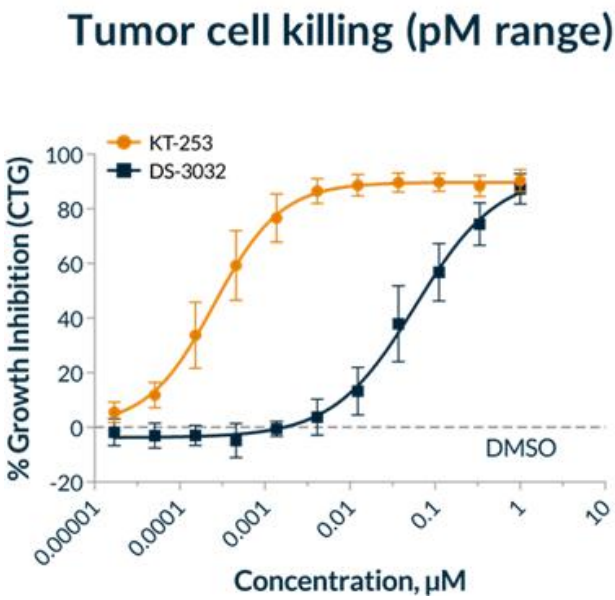
We observed increased p53 stabilization over small molecule inhibitors, as shown in Figure 45.

Figure 45. p53 Stabilization



As a result, we believe KT-253 has potential to have stark potency differences versus the inhibitors in cell killing assays in p53 wild type Acute Lymphocytic Leukemia, as shown in Figure 46.

Figure 46. Tumor cell killing (pM range)



As shown in Figure 47, KT-253 is 200-fold more potent in the RS4-11 Acute Lymphocytic Leukemia cell line compared to what has been published, to date, on the most potent MDM2 small molecule in the clinic (DS-3032).

Figure 47. KT-253 Potency in the RS4-11 Acute Lymphocytic Leukemia cell line

Compound	KT-253	DS-3032	RG7388	SAR405838	HDM201	AMG-232
Company	Kymera	Sankyo/Rain	Roche	Sanofi	Novartis	Amgen/Kartos
Clinical stage	IND enabling	Ph II / combo AML	Ph II / III	Paused	Ph I / II	Multiple Ph II; combo AML
RS4-11 IC_{50} (nM) (ALL Cell Killing)	0.3	67	220	620	163	280
MDM2-HiBiT, DC_{50} (nM) (Degradation)	0.4	-	-	-	-	-

We believe the potency of KT-253 relative to a MDM2 small molecule inhibitor is the result of its ability to overcome the feedback up-regulation of MDM2, as shown below in Figure 48.

Figure 48. Degrader Overcomes MDM2 Feedback Loop

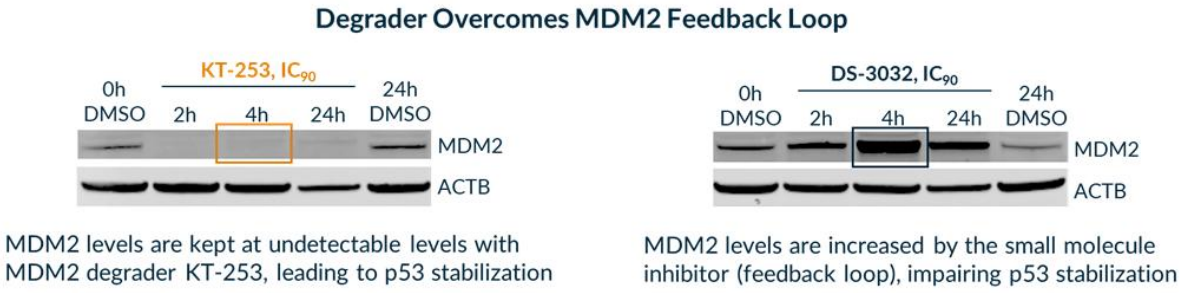


Figure 49 illustrates that with a single low dose at 1mg/kg, KT-253 induces PD markers of MDM2 inhibition, including brisk p53 upregulation and acute apoptotic readouts such as PUMA. This single low dose sends the established tumor model into deep regression for weeks, while also allowing time for recovery of any normal cells affected. Clinically equivalent exposures of small molecules have not been observed to have significant in vivo activity in this xenograft model.

Figure 49. KT-253 PD markers

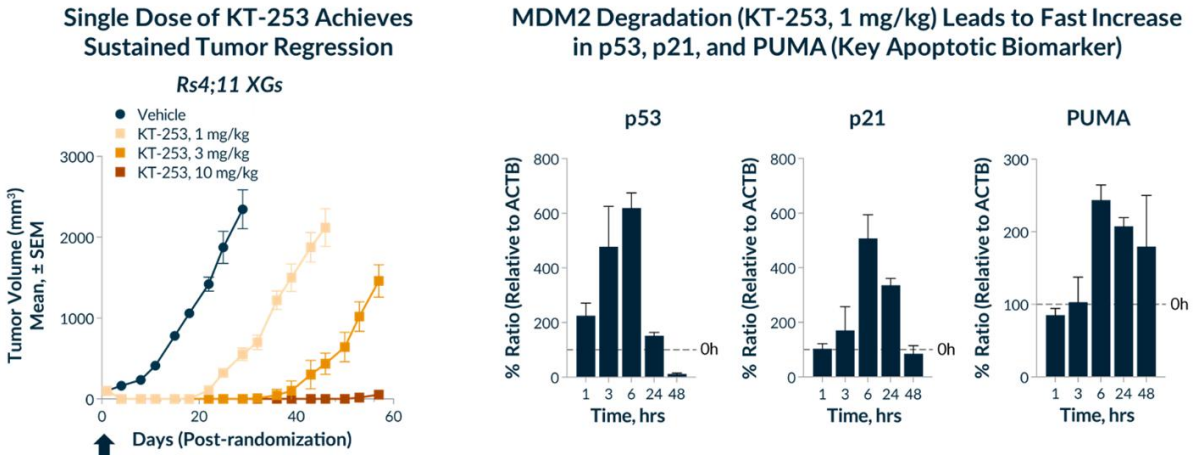
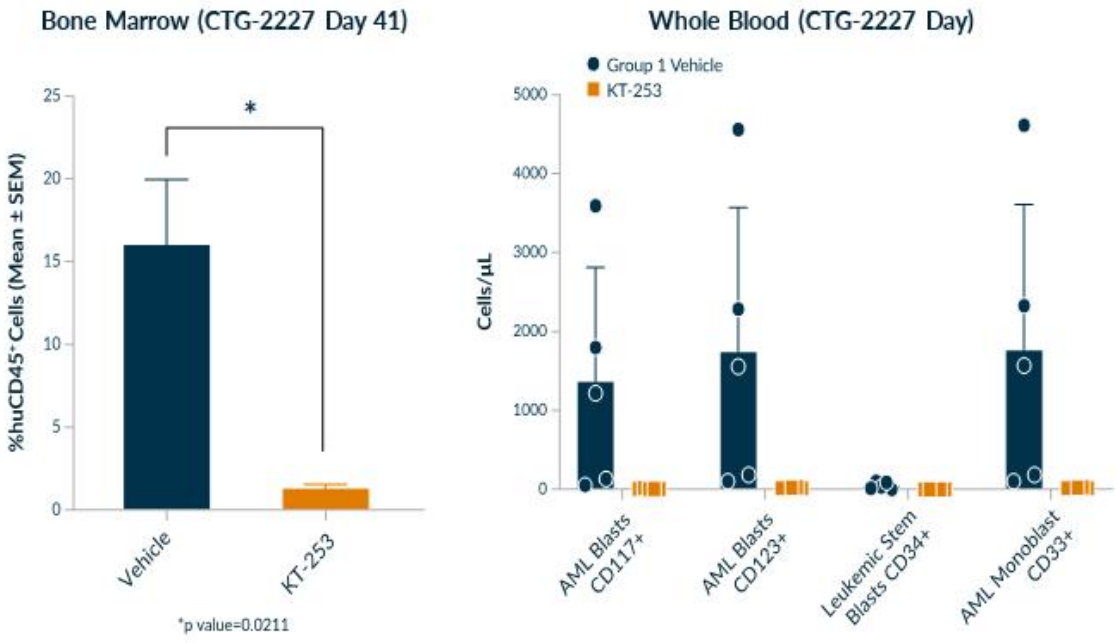


Figure 50 shows that a single dose of KT-253 at 1mg/kg, Q3W achieves in vivo tumor regression in the CTG-2227 AML patient-derived xenograft (PDX) model as measured by reduction of human CD45+ cells in the bone marrow and AML blats in whole blood.

Figure 50. KT-253 *In Vivo* tumor regression



- KT-253 1 mg/ kg, Q3W dosing significantly reduces hCD45+ cells in bone marrow
- KT-253 1 mg/ kg, Q3W dosing significantly reduces

Figure 51 shows that KT-253 administered once every three weeks in combination with the AML standard of care agent, venetoclax, was more active than either compound alone in the MOLM13 AML CDX model, resulting in sustained tumor regression.

Figure 51. Strong Single Agent and Combinatorial Activity in Venetoclax Resistant AML Models

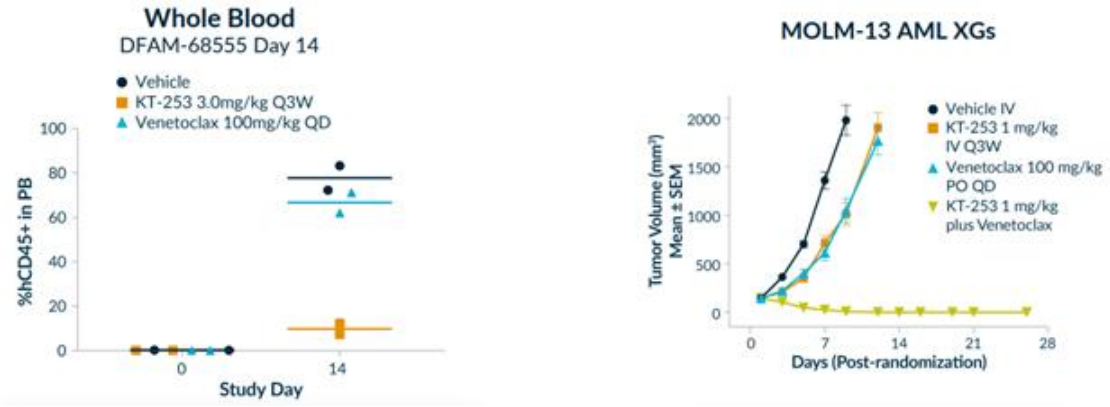
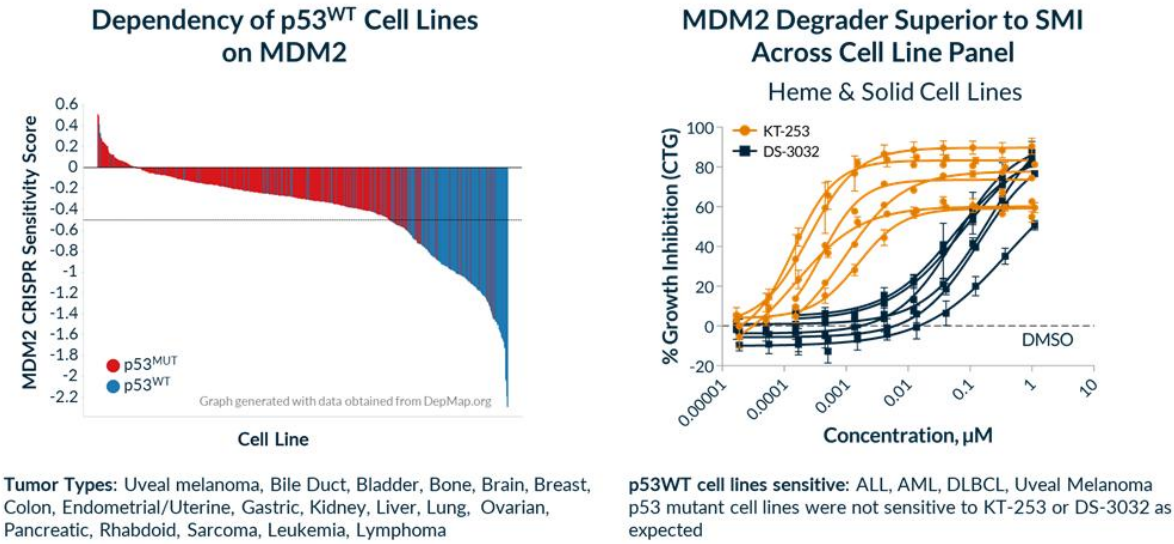


Figure 52 illustrates MDM2 dependency is seen across a large subset of tumor types as shown on the left by genetically knocking out MDM2 across a panel of cell lines and on the right, showing effects on cell lines by pharmacologically removing MDM2 with a degrader. KT-253 shows marked superiority over the SMI DS-3032 in the panel of Acute Lymphocytic Leukemia (ALL), AML, DLBCL and Uveal melanoma cells.

Figure 52. MDM2 Dependency



Tumor Types: Uveal melanoma, Bile Duct, Bladder, Bone, Brain, Breast, Colon, Endometrial/Uterine, Gastric, Kidney, Liver, Lung, Ovarian, Pancreatic, Rhabdoid, Sarcoma, Leukemia, Lymphoma

p53WT cell lines sensitive: ALL, AML, DLBCL, Uveal Melanoma
p53 mutant cell lines were not sensitive to KT-253 or DS-3032 as expected

Development Opportunities

The large numbers of p53wt cell lines dependent on MDM2, as depicted in Figure 52 above on the left blue, gives a high-level view of the potential breadth of opportunities in oncology for a potent and well tolerated agent for this pathway. These tumor cell types include but are not limited to cancers which have amplification and over expression of MDM2. De-stabilization of p53 by MDM2 enables cells to survive by blocking both cell cycle arrest and apoptosis. While the opportunities are very diverse, we plan to focus our development efforts on tumors which are most susceptible to the acute apoptotic response elicited by our degraders, where we believe we will be able to achieve the greatest therapeutic index and efficacy. Our initial disease areas of interest are AML, Uveal melanoma and lymphomas, in addition to other solid tumors indications where preclinically we see that MDM2 degradation leads to an acute apoptotic response predictive of clinical activity with intermittent dosing.

Clinical Development Plans

In December 2022, we announced we received FDA clearance of our IND to evaluate KT-253 and we expect to initiate our Phase 1 trial in solid tumors and hematologic malignancies in early 2023. We have identified AML as an initial hematologic indication for development based on strong pre-clinical KT-253 activity. Preclinical data also support potential development in other hematologic indications, such as ALL and NHL, as well as in select sensitive solid tumors.

Our Pegasus™ Platform

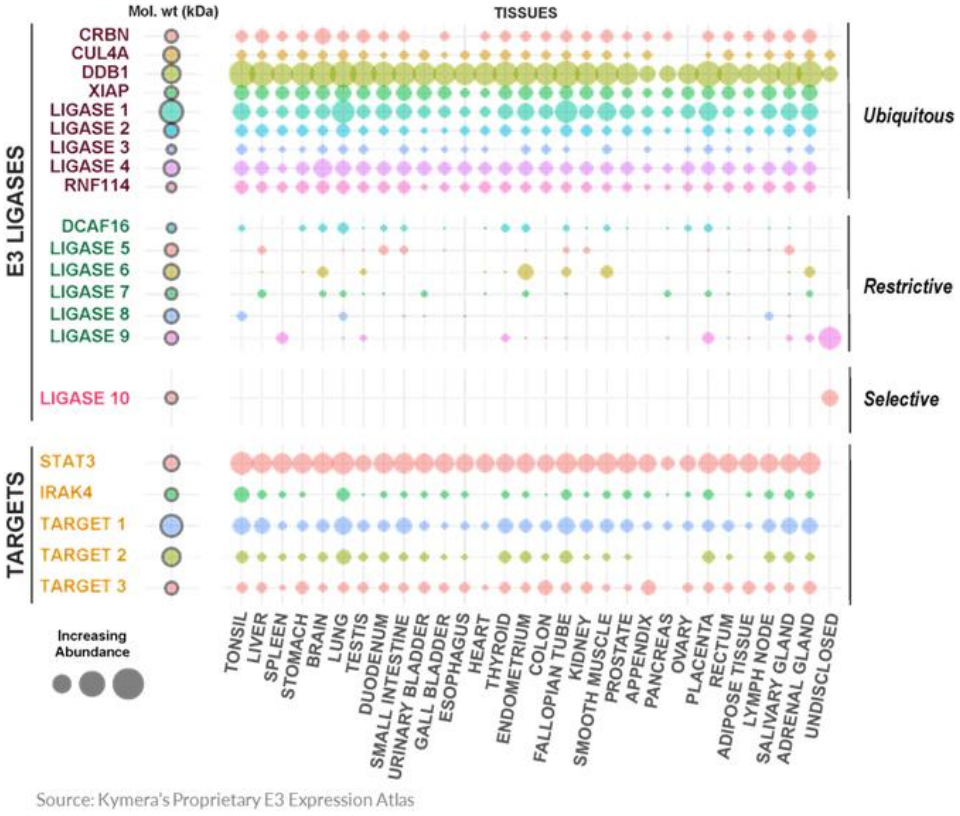
Our proprietary drug discovery platform, Pegasus™, enables us to rationally design targeted protein degraders that have the potential to drug all target classes in the cell. Our approach is rooted in an understanding of the relationship between E3 ubiquitin ligases and target proteins, which allows us to identify the properties that make a target both ligandable and degradable, and determine how multiple factors impact potency, selectivity, PK and PD. Key components of our platform include our E3 ligase toolbox, our understanding of degradation across healthy and diseased tissue types, our proprietary chemistry and our Center for Molecular Glue Discovery.

We have developed a proprietary human whole body E3 Atlas for mapping expression patterns of all known human E3 ubiquitin ligases in both healthy and disease contexts by combining the power of quantitative, high-resolution proteomics with proprietary algorithms. We are refining the characterization of the expression profiles in healthy and diseased tissues of well-established liganded E3 ligases such as cereblon and VHL and, more importantly, of other naturally occurring E3 ligases, which remain unliganded to date. We have established subcellular localization indices for each E3 ligase and are determining their

absolute abundances. We believe our approach is designed to overcome the limitations of relying on publicly available RNA or antibody-based protein expression datasets, which often lead to inaccuracies in determining relative E3 ligase expression levels in different biological contexts.

Our proprietary E3 Ligase Whole-Body Atlas enables data-driven, disease-selective protein degradation strategies based on all of the mapped E3 ligases, which we view as a paradigm shift from relying on the limited number of E3 ligases typically exploited for TPD and provides us with a distinct competitive advantage. Using comparative analyses of expression patterns, we can identify selective pairings of E3 ubiquitin ligases with therapeutic targets of interest, including tissue-selective or tissue-restrictive pairings. We believe this approach is central to building out a toolbox of differentiated E3 ubiquitin ligase binders. Furthermore, we are able to use our custom-built Quantitative Systems Pharmacology Models in combination with proprietary data to understand the absolute abundance of E3 ligases and protein targets to predict cellular efficacy. Figure 53 below shows an example of diverse expression profiles, using circle size as a relative abundance measure, for E3 ligases and selected targets across a panel of healthy tissues (on the x-axis), taken from our proprietary E3 Ligase Whole-Body Atlas.

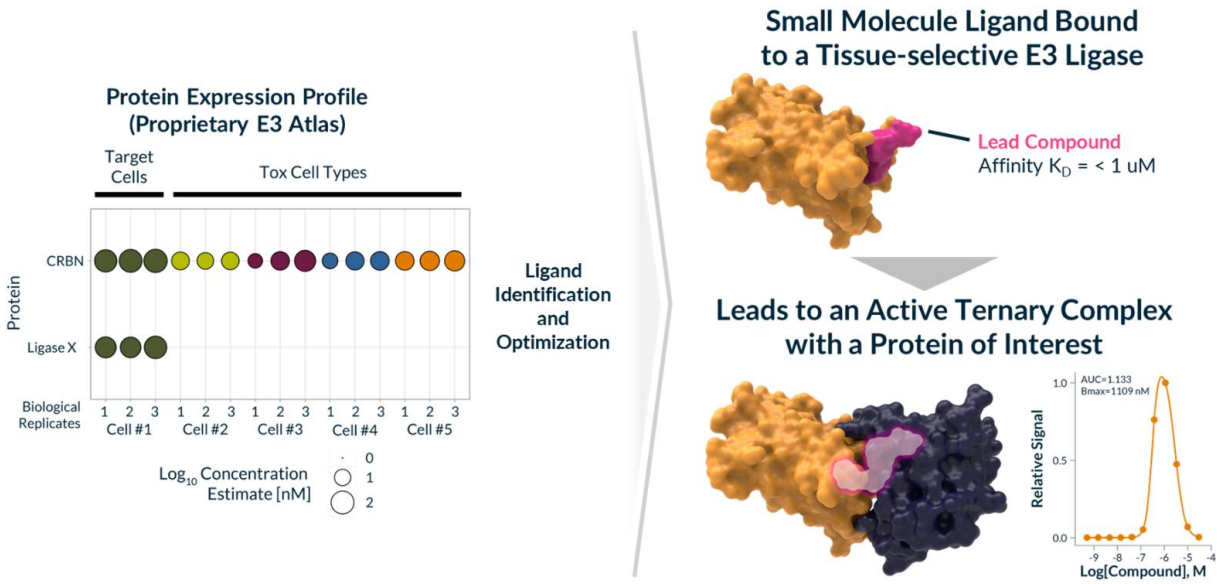
Figure 53. Novel E3 Ligases to Drug a New Generation of Targets



Source: Kymera's Proprietary E3 Expression Atlas

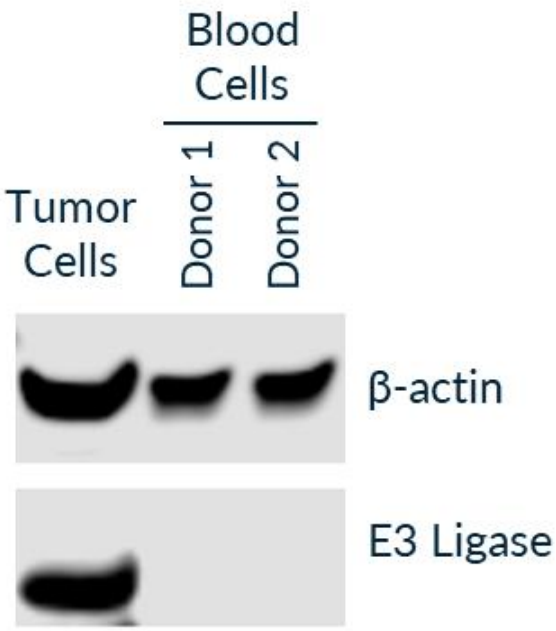
As an example of our work in this area, we have identified a tissue-selective E3 ubiquitin ligase that we believe, based on a comprehensive analysis using both proteomics and transcriptomics, is localized to a specific cell type, our target cell, and is not expressed in several other cell types. We believe this profile may allow for the selective degradation of a protein only in our target cells. We have fully characterized this novel tissue selective ligase and, through hit-finding campaigns, have identified unique chemical matter which has affinity for this E3 ligase below 1 uM. We have also shown productive ternary complex formation against the identified therapeutic target. Figure 54 illustrates, on the left, the tissue-selective expression of the E3 ligase and, on the right, the binding affinity of the lead compound and ternary complex formation with the target protein of interest.

Figure 54. Tissue-selective expression and binding affinity



We are also developing targeted protein degraders directed against a well-validated and high-value oncology target that has known on-target heme toxicity. Utilizing our discovery platform, we have identified an E3 ligase that has very low expression in the target cell responsible for this toxicity, as illustrated in Figure 55 below in the Western Blot analysis.

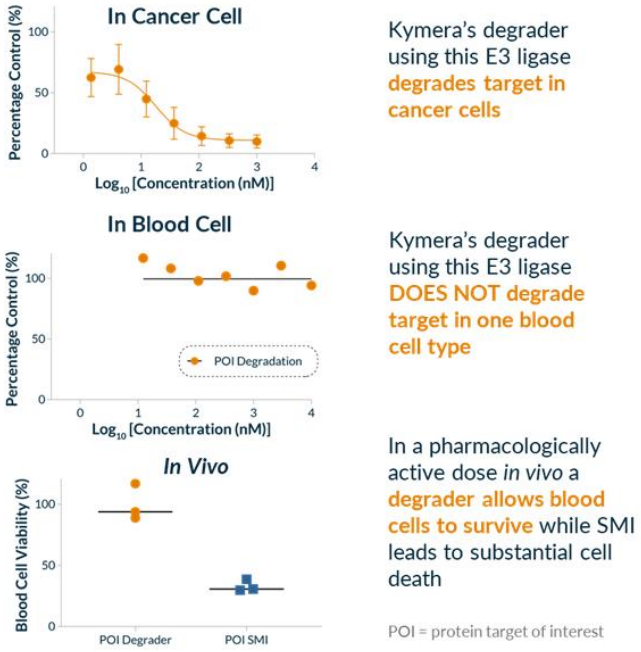
Figure 55. Western Blot analysis



We have developed novel degraders for this oncology target that have demonstrated potent degradation of target type, as shown in the top panel of Figure 56. As illustrated in the middle panel, we have also shown that our degrader does not degrade

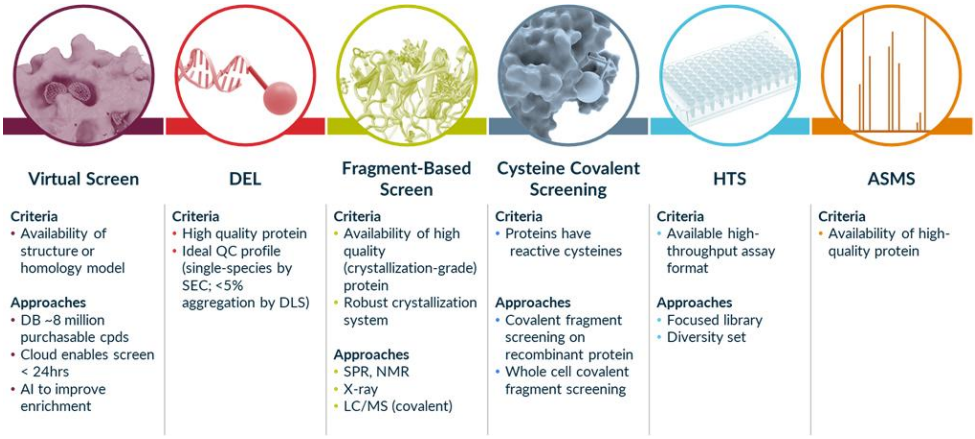
the target in the key blood cell type. Additionally, as shown in the bottom panel, when comparing this novel degrader, versus a well-known small molecule inhibitor, we were able to show that the degrader allows these blood cells to survive while the small molecule inhibitor led to substantial cell death. This is the first in vivo proof-of-concept of selectively degrading this target while avoiding known on target heme toxicity, which we believe is a significant advance that demonstrates the capabilities of our platform.

Figure 56. Degrader profile



As illustrated below in Figure 57, we utilize a broad range of hit finding approaches to develop small molecules against our selected targets. Specifically, we use virtual screening and artificial intelligence enabled iteration to characterize the binding pocket of target proteins and E3 ligases, to evaluate ligandability and to find small molecule ligands. We also use high content screening such as DNA-encoded libraries (DEL), Affinity Selection Mass Spectrometry (ASMS) or traditional high throughput screening (HTS). We use Fragment Based Screening (FBS) and covalent screening for more targeted approaches where protein topology is understood. We also utilize X-ray and cryoEM capabilities to enable not only hit finding, but also ternary complex optimization.

Figure 57. Hit finding approaches



As illustrated in Figure 58 below, our proprietary chemistry approach utilizes ternary complex modelling, which leverages cloud computing to evaluate millions of compounds with the objective to design both an optimal linker and to identify the correct vectors to enable efficient binding of both an E3 ligase ligand and protein ligand. We use molecular chameleonicity to accurately design and predict ADME and PK profiles of these complex molecules which is critical to designing molecules with high oral bioavailability. Our experienced chemistry and computational chemistry teams utilize artificial intelligence driven insights to understand those design parameters driving clearance, permeability and efflux.

Figure 58. Proprietary chemistry approach

Ternary Complex Modeling (TCM)
Harnessing the power of cloud computing and AI to evaluate millions of TCM models

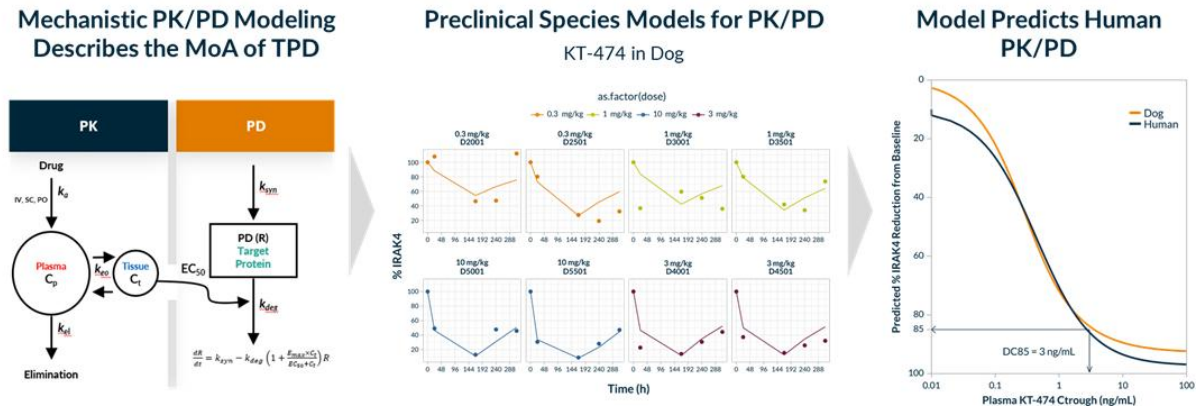
Molecular Chameleonicity
Accurately capturing the chameleonic nature of degraders to predict ADME/PK profile

AI-driven Insights
Leveraging deep-learning to derive design insights from *in silico* and *in vitro* data

DMPK Properties	Degrader 1	Degrader 2	Degrader 3	Degrader 4
HLM / RLM (µL/min/mg)	317 / 193	74 / 22	<12 / <12	<12 / <12
P_{app} (10^{-6} cm/s) / Efflux Ratio	ND / ND	6.0 / 1.3	14 / 21	4.3 / 2.0
Rat Cl (mL/min/kg) / Vdss / F%	ND	35 / 9 / 8	19 / 7 / 14	7 / 3 / 18
Dog Cl (mL/min/kg) / Vdss / F%	ND	69 / 19 / 9	15 / 11 / 58	6 / 4 / 60
Monkey Cl (mL/min/kg) / Vdss / F%	ND	129 / 16 / 1	33 / 16 / 45	9 / 6 / 62

We also utilize a mechanistic modelling process to predict accurately both human PK and PD from preclinical data, an example of which is illustrated in Figure 59. We first applied an indirect PK/PD response model to describe the mechanism of action of TPD. We then accounted for the biodistribution of drug to target tissue and used an Emax exposure-response model to describe the mechanism of action of TPD. A preclinical PK/PD study was conducted in dog to understand the kinetics of protein degradation in tissues at different dose levels, with data used to estimate in vivo degradation potency and protein turnover rate in the target tissue. We then "humanize" the PK/PD model by applying human PK parameters, adjusting for species' differences in potency and protein turnover rate, if necessary, to predict protein degradation in the clinic. As shown in the far right of Figure 59, the model accurately predicted human PD, as measured by predicted IRAK4 reduction, using preclinical PK/PD animal data (orange) to predict human PK/PD data in (blue).

Figure 59. Modeling Approach



Our Center for Molecular Glue Discovery is focused on identifying novel E3 ligases, beyond cereblon, that enable the design of molecules that target undrugged and un-ligandable proteins through small molecule interactions. Molecular glues, rather than requiring a defined binding pocket on the undruggable target, leverage a weak preexisting interaction between an E3 ligase and an unligandable protein of interest. Through binding of the molecular glue to the E3 ligase, the protein-protein interaction interface of the E3 ligase is remodeled, leading to enhanced interaction of the two proteins, thus facilitating degradation. Our approach is to move beyond the traditional approach of molecular glues, which mostly utilize cereblon/IMiD based molecular glues. We have established strategic partnerships to advance our molecular glue initiatives. Our work with these groups is focused on identifying and characterizing novel E3 ligase/substrate pairs for molecular glue interactions that exploit natural affinity augmented with small molecules. We are utilizing genetic screening, structural insights, and pathway and computational biology to identify novel matched pairs of E3 ligases and high value undrugged targets.

We recently announced the discovery of a novel degron interaction for a target that we believe is undrugged and not ligandable. This finding has led to the identification and characterization of a highly selective novel molecular glue of an ‘undruggable’ transcription factor, and to the initiation of multiple molecular glue discovery programs.

Other Programs

Our focus on key undrugged or inadequately drugged nodes within therapeutically validated pathways combined with the target and disease agnostic features of our Pegasus™ platform gives us opportunity to develop new therapies across various therapeutic areas. We are taking advantage of our proprietary E3 Ligase Whole-Body Atlas on the differential expression profile of E3 ligases to pursue targets that can benefit from potentially tissue-restricted degradation as well as programs that can be enabled by novel molecular glue mechanisms. Our early pipeline includes programs in genetically defined oncology and immunology indications. Through our Vertex collaboration, we are engaged in the discovery of additional targets that are able to fully leverage our aforementioned capabilities and expand our impact across several diseases outside of oncology and immunology.

Collaborations

Master Collaboration Agreement with Vertex Pharmaceuticals Incorporated

On May 9, 2019, we entered into a collaboration agreement with Vertex, focused on the research and development of our small molecule targeted protein degraders against multiple targets in disease areas outside our core strategic focus. The collaboration leverages our expertise in targeted protein degradation and our Pegasus™ platform as well as Vertex’s scientific, clinical, and regulatory capabilities to accelerate the development of medicines for people with serious diseases. We refer to this agreement as the Vertex Agreement.

Under the terms of the Vertex Agreement, we conduct research activities in multiple targets pursuant to an agreed-upon research plan. Upon designation of a clinical development candidate, Vertex has the option to exclusively license molecules against the designated target. We are eligible to receive an aggregate of up to $170 million in potential payments per licensing product based upon the successful achievement of specified research, development, regulatory and commercial milestones, as

well as option exercise payments, for up to six (6) programs optioned by Vertex for licensing as part of the collaboration. No milestones have been achieved to date under the Vertex Agreement.

In addition, Vertex will pay low single-digit royalties on future net sales on any products that may result from the commercialization of the licensed molecules. Vertex's royalty obligations are on a product-by-product and country-by-country basis and are subject to certain reductions, including (i) in the event that the exploitation of a product is not covered by a valid claim with the licensed patent rights and (ii) in the event of third parties achieving specifically negotiated levels of competitive market share. Such royalty obligations will expire on a country-by-country and product-by-product basis upon the later of (a) the expiration of the last patent which covers a product in such country, (b) the expiration of any exclusivity granted by a regulatory authority and (c) 10 years following the first commercial sale of a product in such country. No additional payments have been made by Vertex under the Vertex Agreement to date.

As initial consideration for the collaboration, Vertex paid us $70 million upfront including an equity investment in us through the purchase of 3,059,695 shares of our Series B-1 preferred stock.

Under the Vertex Agreement, the parties established a joint advisory committee, or JAC. The JAC will, among other responsibilities, review and oversee, certain strategic activities performed under the Vertex Agreement, including reviewing the research plan and budget for the research activities and reviewing the research activities performed by each party.

The initial research term of the collaboration is four years, extendable for an additional one-year period upon mutual agreement by the parties and payment by Vertex of certain per-target fees.

The Vertex Agreement may be terminated by Vertex either in its entirety or on a target-by-target basis, upon prior written notice to Kymera. Either party may terminate the collaboration agreement upon the other party's material breach, subject to specified notice and cure provisions, or upon the bankruptcy, insolvency, dissolution or winding up of the other party. Kymera also has the right to terminate the agreement with respect to a certain target upon 30 days' prior written notice in the event that Vertex ceases all research, development and commercialization activities related to such target for a certain period of time, provided that the cessation is not the result of events outside of Vertex's control.

Collaboration Agreement with Genzyme Corporation

On July 7, 2020, we entered into a collaboration agreement, or the Original Sanofi Agreement, with Genzyme Corporation, a subsidiary of Sanofi, to co-develop drug candidates directed to two biological targets. The Original Sanofi Agreement became effective during the third quarter of 2020.

On November 15, 2022, we entered into an Amended and Restated Collaboration and License Agreement with Sanofi, or the Amended Sanofi Agreement, which amended the Original Sanofi Agreement to revise certain research terms and responsibilities set forth under the Original Sanofi Agreement. The Amended Sanofi Agreement also specifies details around the timing and number of Phase 2 trials required under the terms of the collaboration. The Amended Sanofi Agreement became effective on December 5, 2022. The Original Sanofi Agreement, as amended by the Amended Sanofi Agreement, is referred to herein as the Sanofi Agreement.

Under the Sanofi Agreement, Kymera grants to Sanofi a worldwide exclusive license to develop, manufacture and commercialize certain lead compounds generated during the collaboration directed against IRAK4 and one additional undisclosed target in an undisclosed field of use. Such license is exercisable on a collaboration target-by-collaboration target basis only after a specified milestone. For compounds directed against IRAK4, the field of use includes diagnosis, treatment, cure, mitigation or prevention of any diseases, disorders or conditions, excluding oncology and immune-oncology.

Pursuant to the Sanofi Agreement, with respect to both targets we are responsible for discovery and preclinical research and conducting a phase 1 clinical trial for at least one degrader directed against IRAK4 plus up to three back up degraders, the costs of which will be borne by us, except in certain circumstances. With respect to both targets, Sanofi is responsible for development, manufacturing, and commercialization of product candidates after a specified development milestone occurs with respect to each collaboration candidate.

In addition, pursuant to the Sanofi Agreement, Sanofi will grant to us an exclusive option, or Opt-In Right, exercisable, at our sole discretion, on a collaboration target-by-collaboration target basis that will include the right to (i) fund 50% of the United States development costs for collaboration products directed against such target in the applicable field of use and (ii) share equally in the net profits and net losses of commercializing collaboration products directed against such target in the applicable field of use in the United States. In addition, if we exercise our Opt-In Right, Sanofi will grant to us an exclusive

option, applicable to each collaboration target, which upon exercise will allow us to conduct certain co-promotion activities in the field in the United States.

In consideration for the exclusive licenses granted to Sanofi under the Sanofi Agreement, Sanofi paid to us an upfront payment of $150.0 million. In addition to the upfront payment, we will also be eligible to receive certain development milestone payments of up to $1.48 billion in the aggregate, of which more than $1.0 billion relates to the IRAK4 program, upon the achievement of certain developmental or regulatory events. We will also be eligible to receive certain commercial milestone payments up to $700.0 million in the aggregate, of which $400.0 million relates to the IRAK4 program, which are payable upon the achievement of certain net sales thresholds. We will further be eligible to receive tiered royalties for each program on net sales ranging from the high single digits to high teens, subject to low-single digits upward adjustments in certain circumstances.

The Sanofi Agreement, unless earlier terminated, will expire on a product-by-product basis on the date of expiration of all payment obligations under the Sanofi Agreement with respect to such product. We or Sanofi may terminate the agreement upon the other party's material breach or insolvency or for certain patent challenges. In addition, Sanofi may terminate the agreement for convenience or for a material safety event upon advance prior written notice, and we may terminate the agreement with respect to any collaboration candidate if, following Sanofi's assumption of responsibility for the development, commercialization or manufacturing of collaboration candidates with respect to a particular target, Sanofi ceases to exploit any collaboration candidates directed to such target for a specified period.

Additionally, on December 2, 2022, Sanofi provided us with written notice of its intention to advance the collaboration target 1 candidate, KT-474, into Phase 2 clinical trials. We are entitled to receive milestone payments upon the dosing of the first patient(s) in Phase 2 studies per indication up to a specified number of indications as further set forth in the Sanofi Agreement.

Manufacturing / Supply Chain

We do not own or operate manufacturing facilities for the production of our drug candidates and currently have no plans to build our own clinical or commercial scale manufacturing capabilities. We currently engage with third-party contract manufacturing organizations, or CMOs, for the manufacture of our drug candidates for preclinical studies, and we intend to continue to do so in the future. We rely on and expect to continue to rely on third-party manufacturers for the production of both drug substance and finished drug product. We have engaged third-party manufacturers to supply the drug substances for our drug candidates and a third-party manufacturer to develop and manufacture finished drug products that we are using in our clinical trials. We currently obtain our supplies from these manufacturers on a purchase order basis and do not have long-term supply arrangements in place. Should any of these manufacturers become unavailable to us for any reason, we believe that there are a number of potential replacements, although we may incur some delay in identifying and qualifying such replacements.

All of our drug candidates are organic compounds of low molecular weight, generally called small molecules, but which are larger than traditional small molecule therapeutics. We have selected these compounds not only on the basis of their potential efficacy and safety, but also because we anticipate an ease of synthesis and cost of goods. We have produced drug substances and drug products for use in our clinical trials and continue to refine our production processes. The drug substance and drug product processes are amenable to scale-up and do not require unusual equipment in the manufacturing process. To adequately meet our needs for late-stage clinical and commercial manufacturing, our suppliers will need to scale their production, or we will need to secure alternate suppliers.

Competition

The biotechnology industry is extremely competitive in the race to develop new products. While we believe we have significant competitive advantages with our years of expertise in targeted protein degradation, clinical development expertise, and intellectual property position, we currently face and will continue to face competition for our development programs from companies that use targeted protein degradation or targeted protein degradation development platforms, and from companies focused on more traditional therapeutic modalities such as small molecules and antibodies. The competition is likely to come from multiple sources, including larger pharmaceutical companies, biotechnology companies, and academia.

Competitors in our efforts to develop small molecule protein degraders therapies for patients, include, but are not limited to, Arvinas, Inc., C4 Therapeutics, Inc., Nurix Therapeutics, Inc., and Foghorn Therapeutics, Inc. Further, several large pharmaceutical companies have disclosed preclinical investments in this field. Our competitors will also include companies that are or will be developing other targeted protein degradation methods as well as small molecule, antibody, or gene therapies

for the same indications that we are targeting. In addition to the competitors we face in developing small molecule protein degraders, we will also face competition in the indications we expect to pursue with our IRAK4, IRAKIMiD, STAT3, and MDM2 programs. Many of these indications already have approved standards of care which may include more traditional therapeutic modalities. In order to compete effectively with these existing therapies, we will need to demonstrate that our protein degrader therapies are favorable to existing therapeutics.

Intellectual Property

Our success depends in part on our ability to secure intellectual property protection for our product candidates and future products, as well as our platform protein degradation technologies and any other relevant inventions and improvements that are considered commercially important to our business. Our success also depends on our ability to defend and enforce our intellectual property rights, preserve the confidentiality of our proprietary information, and operate without infringing, misappropriating or otherwise violating the valid and enforceable patents and proprietary rights of third parties.

As with other biotechnology and pharmaceutical companies, our ability to secure and maintain intellectual property protection for our product candidates, future products, and other proprietary technologies will depend on our success in obtaining effective patent coverage and enforcing those patents if granted. However, we cannot guarantee that our pending patent applications, and any patent applications that we may in the future file, will result in the issuance of patents, or that any issued patents we may obtain will provide sufficient proprietary protection from competitors. Any issued patents that we obtain may be challenged, invalidated, or circumvented by third parties.

In addition to patents, we also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary technology, in part, through confidentiality agreements and invention assignment agreements with our employees, consultants, scientific advisors, contractors and potential collaborators.

Patent Portfolio

Our intellectual property includes a portfolio of wholly owned patent families covering our platform E3 ligase ligand technology and our novel bifunctional degrader product candidates, including claims to compositions of matter, pharmaceutical compositions, methods of use, methods of treatment, and other related compounds and methods. Our intellectual property portfolio is in its very early stages, and, as of January 20, 2023, included nine granted U.S. patents, about 101 U.S. patent applications, about 20 international patent applications, and about 259 foreign patent applications. Our patent portfolio is generally organized into two categories: (1) platform E3 ligase ligand patent families and (2) protein degrader patent families, including various target-specific degrader patent families.

Platform E3 Ligase Ligand Patent Families

Our platform E3 ligase ligand patent families are wholly owned and include four patent families directed to novel ligands for the cereblon E3 ubiquitin ligase, as well as methods of treatment and other related methods. As of January 20, 2023, our platform E3 ligase ligand patent families included three granted U.S. patents, four U.S. patent applications, and three patent applications in Europe. Any U.S. or foreign patents resulting from these applications, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2040, absent any patent term adjustments or extensions.

Protein Degrader Patent Families

Our protein degrader patent families are wholly owned and are directed to novel bifunctional degrader compounds that are useful in affecting ubiquitination of a target protein, as well as methods of treatment and other related methods. As of January 20, 2023, our protein degrader patent families included one granted U.S. patent, seven U.S. patent applications and about 14 foreign patent applications filed in foreign jurisdictions, such as Australia, Canada, Europe, Israel, Japan, Mexico, New Zealand, and the Russian Federation. Any U.S. or foreign patents resulting from these applications, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2043, absent any patent term adjustments or extensions.

Target-Specific Degrader Patent Families

Our target-specific degrader patent families are wholly owned and focus protection around degrader compounds that are designed to target specific proteins for degradation, as well as methods of treatment and other related methods. Such targets include, for example, IRAK (interleukin-1 receptor-associated kinases) and STAT (signal transducers and activators of transcription). As of January 20, 2023, our target-specific degrader patent families included five granted U.S. patents, about 84

U.S. patent applications, about 20 international patent applications, and about 241 patent applications filed in foreign jurisdictions, such as Australia, Brazil, Canada, China, Eurasia, Europe, Israel, India, Japan, Mexico, New Zealand, Singapore, South Africa, and Taiwan. Any U.S. or foreign patents resulting from our target-specific degrader patent families, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2044, absent any patent term adjustments or extensions.

IRAK-Specific Patent Families

Our IRAK-specific patent families are wholly owned and include patent families covering degrader compounds that are designed to specifically target IRAK for degradation and patent families covering novel IRAK ligands. As of January 20, 2023, our IRAK-specific patent families included four granted U.S. patents, about 34 U.S. patent applications, about 9 international patent applications, and about 158 patent applications filed in foreign jurisdictions, such as Australia, Argentina, Brazil, Canada, China, Europe, Eurasia, Gulf Cooperation Council, Israel, India, Japan, Mexico, New Zealand, Singapore, South Africa, and Taiwan. Any U.S. or foreign patents resulting from our IRAK-specific patent families, if granted and all appropriate maintenance fees paid, are expected to expire between 2038 and 2044, absent any patent term adjustments or extensions.

With respect to the KT-474 product candidate, as of January 20, 2023, we own one granted U.S. patent, 15 pending U.S. patent applications, three pending international patent applications, and about 81 patent applications filed in foreign jurisdictions, such as Australia, Brazil, Canada, China, Europe, Israel, India, Japan, South Korea, Mexico, New Zealand, Singapore, South Africa, and Taiwan, each with claims directed to compositions of matter covering KT-474 and/or methods of making or using KT-474. Any U.S. or foreign patents resulting from these patent families, if granted and all appropriate maintenance fees paid, are expected to expire between 2039 and 2044, absent any patent term adjustments or extensions.

STAT-Specific Patent Families

Our STAT-specific patent families are wholly owned and focus on degrader compounds that are designed to specifically target signal transducers and activators of transcription (STAT) for degradation. As of January 20, 2023, our STAT-specific patent families included one granted U.S. patent, 14 U.S. patent applications, two international patent applications, and about 33 patent applications filed in foreign jurisdictions, such as Australia, Canada, China, Eurasia, Europe, India, Israel, Japan, South Korea, Mexico, and Taiwan. Any U.S. or foreign patents resulting from our STAT-specific patent families, if granted and all appropriate maintenance fees paid, are expected to expire between 2040 and 2044, absent any patent term adjustments or extensions.

Other Target-Specific Patent Families

As of January 20, 2023, we own about 36 U.S. patent applications, nine international patent applications and about 50 patent applications filed in Australia, Argentina, Brazil, Canada, China, Europe, Gulf Cooperation Council, Israel, India, Japan, Mexico, New Zealand, Singapore, South Africa, and Taiwan which focus on degrader compounds designed to specifically target other proteins. Any U.S. or foreign patents resulting from these patent families, if granted and all appropriate maintenance fees paid, are expected to expire between 2040 and 2044, absent any patent term adjustments or extensions.

The term of individual patents may vary based on the countries in which they are obtained. Generally, patents issued from applications filed in the United States are effective for 20 years from the earliest effective non-provisional filing date. In certain cases, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. The Hatch-Waxman Act permits a patent term extension of up to five years beyond the expiration of the patent, though the total patent term, including any extension, must not exceed 14 years following FDA approval. A patent can only be extended once, such that, if a single patent is applicable to multiple products, it can only be extended based on one product.

The duration of patents outside of the United States varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective national filing date.

Similar patent term extension provisions are available in Europe and other foreign jurisdictions to extend the term of a patent covering an approved drug. When possible, we expect to apply for patent term extensions for patents covering our product candidates and their methods of use.

Trademarks

We intend to file applications for trademark registrations in connection with our product candidates and other technologies in various jurisdictions, including the United States.

We have applied to register both the KYMERA mark and the KYMERA THERAPEUTICS mark in the United States, Europe, and Canada. We also filed applications in the same jurisdictions for the mark IRAKIMiD, for pharmaceutical and medical preparations and therapeutics, as well as diagnostic reagents, for the treatment of oncology, autoimmune, immune-oncology and other related diseases. In addition, we filed applications for E3 HUMAN ATLAS and E3 LIGASE WHOLE BODY ATLAS in connection with pharmaceutical research and development and drug development and discovery services. All of our European Union trademarks in existence as of December 31, 2020 were automatically cloned onto the United Kingdom register due to "Brexit."

Most recently, we filed an application for our K & Design mark in the United States, and we plan to file European Union, United Kingdom, and Canada applications based on our U.S. priority date in that application in due course.

Government Regulation

The FDA and other regulatory authorities at federal, state and local levels, as well as in foreign countries, 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 drugs. We, along with our vendors, contract research organizations and contract manufacturers, will be required to navigate the various preclinical, clinical, manufacturing and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval of our product candidates. The process of obtaining regulatory approvals of drugs and ensuring subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources.

In the U.S., the FDA regulates drug products under the Federal Food, Drug, and Cosmetic Act, or FD&C Act, as amended, its implementing regulations and other laws. If we fail to comply with applicable FDA or other requirements at any time with respect to product development, clinical testing, approval or any other legal requirements relating to product manufacture, processing, handling, storage, quality control, safety, marketing, advertising, promotion, packaging, labeling, export, import, distribution, or sale, we may become subject to administrative or judicial sanctions or other legal consequences. These sanctions or consequences could include, among other things, the FDA's refusal to approve pending applications, issuance of clinical holds for ongoing studies, suspension or revocation of approved applications, warning or untitled letters, product withdrawals or recalls, product seizures, relabeling or repackaging, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution.

The process required by the FDA before our product candidates are approved as drugs for therapeutic indications and may be marketed in the U.S. generally involves the following:

- completion of extensive preclinical studies in accordance with applicable regulations, including studies conducted in accordance with good laboratory practice, or GLP, requirements;
- completion of the manufacture, under current Good Manufacturing Practices, or cGMP, conditions, of the drug substance and drug product that the sponsor intends to use in human clinical trials along with required analytical and stability testing;
- submission to the FDA of an IND application, which must become effective before clinical trials may begin;
- approval by an institutional review board, or IRB, or independent ethics committee at each clinical trial site before each trial may be initiated;
- performance of adequate and well-controlled clinical trials in accordance with applicable IND regulations, good clinical practice, or GCP, requirements and other clinical trial-related regulations to establish the safety and efficacy of the investigational product for each proposed indication;
- submission to the FDA of a NDA;
- a determination by the FDA within 60 days of its receipt of an NDA, to accept the filing for review;
- satisfactory completion of one or more FDA pre-approval inspections of the manufacturing facility or facilities where the drug will be produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- potential FDA audit of the clinical trial sites that generated the data in support of the NDA;
- payment of user fees for FDA review of the NDA; and

- FDA review and approval of the NDA, including consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug in the U.S.

Preclinical Studies and Clinical Trials for Drugs

Before testing any drug in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as in vitro and animal studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to federal and state regulations and requirements, including GLP requirements for safety/toxicology studies. The results of the preclinical studies, together with manufacturing information and analytical data must be submitted 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 clinical trials may begin. Some long-term preclinical testing may continue after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions about the conduct of the clinical trial, including concerns that human research patients will be exposed to unreasonable health risks, and imposes a full or partial clinical hold. FDA must notify the sponsor of the grounds for the hold and any identified deficiencies must be resolved before the clinical trial can begin. Submission of an IND may result in the FDA not allowing clinical trials to commence or not allowing clinical trials to commence on the terms originally specified in the IND.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCP requirements, which include the requirements that all research patients provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria and the parameters and criteria to be used in monitoring safety and evaluating effectiveness. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB for each institution at which the clinical trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable related to the anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed. The FDA, the IRB or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the patients are being exposed to an unacceptable health risk. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trials to public registries. Information about applicable clinical trials, including clinical trial results, must be submitted within specific timeframes for publication on the www.clinicaltrials.gov website.

A sponsor who wishes to conduct a clinical trial outside of the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. If a foreign clinical trial is not conducted under an IND, FDA will nevertheless accept the results of the study in support of an NDA if the study was conducted in accordance with GCP requirements, and the FDA is able to validate the data through an onsite inspection if deemed necessary.

Clinical trials to evaluate therapeutic indications to support NDAs for marketing approval are typically conducted in three sequential phases, which may overlap.

- *Phase 1*—Phase 1 clinical trials involve initial introduction of the investigational product into healthy human volunteers or patients with the target disease or condition. These studies are typically designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, excretion the side effects associated with increasing doses, and, if possible, to gain early evidence of effectiveness.
- *Phase 2*—Phase 2 clinical trials typically involve administration of the investigational product to a limited patient population with a specified disease or condition to evaluate the drug's potential efficacy, to determine the optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks.
- *Phase 3*—Phase 3 clinical trials typically involve administration of the investigational product to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for 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 physician labeling.

In March 2022, the FDA released a final guidance entitled "Expansion Cohorts: Use in First-In-Human Clinical Trials to Expedite Development of Oncology Drugs and Biologics," which outlines how drug developers can utilize an adaptive trial design commonly referred to as a seamless trial design in early stages of oncology drug development (i.e., the first-in-human clinical trial) to compress the traditional three phases of trials into one continuous trial called an expansion cohort trial.

Information to support the design of individual expansion cohorts are included in IND applications and assessed by FDA. Expansion cohort trials can potentially bring efficiency to drug development and reduce development costs and time.

Post-approval trials, sometimes referred to as Phase 4 clinical trials or post-marketing studies, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication and are commonly intended to generate additional safety data regarding use of the product in a clinical setting. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA. Written IND safety reports must be submitted to the FDA and the investigators fifteen days after the trial sponsor determines the information qualifies for reporting for serious and unexpected suspected adverse events, findings from other studies or animal or in vitro testing that suggest a significant risk for human volunteers and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must also notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than seven calendar days after the sponsor's initial receipt of the information.

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

U.S. Marketing Approval for Drugs

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the product for one or more indications. An NDA is a request for approval to market a new drug for one or more specified indications and must contain proof of the drug's safety and efficacy for the requested indications. The marketing application is required to include both negative and ambiguous results of preclinical studies and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product's use or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of the FDA. FDA approval of an NDA must be obtained before a drug may be marketed in the U.S.

The FDA reviews all submitted NDAs before it accepts them for filing and may request additional information rather than accepting the NDA for filing. The FDA must make a decision on accepting an NDA for filing within 60 days of receipt, and such decision could include a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the NDA. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective for the indications sought and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity. Under the goals and polices agreed to by the FDA under the Prescription Drug User Fee Act, or PDUFA, the FDA targets ten months, from the filing date, in which to complete its initial review of a new molecular entity NDA and respond to the applicant, and six months from the filing date of a new molecular entity NDA for priority review. The FDA does not always meet its PDUFA goal dates for standard or priority NDAs, and the review process is often extended by FDA requests for additional information or clarification.

Further, under PDUFA, as amended, each NDA must be accompanied by a 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 NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA also may require submission of a Risk Evaluation and Mitigation Strategy, or REMS, program if it believes that a risk evaluation and mitigation strategy is necessary to ensure that the benefits of the drug outweigh its risks. The REMS program could include use of risk evaluation and mitigation strategies like medication guides, physician communication plans, assessment plans and/or elements to assure safe use, such as restricted distribution methods, patient registries or other risk-minimization tools.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, which reviews, evaluates and provides a recommendation

as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP and other requirements and the integrity of the clinical data submitted to the FDA.

After evaluating the NDA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

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

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act of 1983, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the U.S., or if it affects more than 200,000 individuals in the U.S., there is no reasonable expectation that the cost of developing and making the product available in the U.S. for the disease or condition will be recovered from sales of the product. Orphan designation must be requested before submitting an NDA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process, though companies developing orphan products are eligible for certain incentives, including tax credits for qualified clinical testing and waiver of application fees.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to a seven-year period of marketing exclusivity during which the FDA may not approve any other applications to market the same therapeutic agent for the same indication, except in limited circumstances, such as a subsequent product's showing of clinical superiority over the product with orphan exclusivity or where the original applicant cannot produce sufficient quantities of product. Competitors, however, may receive approval of different therapeutic agents for the indication for which the orphan product has exclusivity or obtain approval for the same therapeutic agent for a different indication than that for which the orphan product has exclusivity. Orphan product exclusivity could block the approval of one of our products for seven years if a competitor obtains approval for the same therapeutic agent for the same indication before we do, unless we are able to demonstrate that our product is clinically superior. If an orphan designated product receives marketing approval for an indication broader than what is designated, it may not be entitled to orphan exclusivity. Further, orphan drug exclusive marketing rights in the U.S. may be lost if the FDA later determines that the request for designation was materially defective or the manufacturer of the approved product is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

In September of 2022, KT-333, Kymera's STAT3 degrader in development for relapsed and/or refractory lymphomas and solid tumors, was granted its second orphan drug designation by the U.S. Food and Drug Administration for the treatment of cutaneous T-cell lymphoma (CTCL), following its orphan drug designation for peripheral T-cell lymphoma (PTCL) in June of 2022. These designations provide incentives to encourage the development of medicines for rare diseases.

Expedited Development and Review Programs for Drugs

The FDA maintains several programs intended to facilitate and expedite development and review of new drugs to address unmet medical needs in the treatment of serious or life-threatening diseases or conditions. These programs include Fast Track designation, Breakthrough Therapy designation, Priority Review, Accelerated Approval and platform technology designation and the purpose of these programs is to either expedite the development or review of important new drugs to get them to patients earlier than under standard FDA development and review procedures.

A new drug is eligible for Fast Track designation if it is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address unmet medical needs for such disease or condition. Fast Track designation provides increased opportunities for sponsor interactions with the FDA during preclinical and clinical development, in addition to the potential for rolling review once a marketing application is filed, meaning that the agency may review portions of the marketing application before the sponsor submits the complete application, as well as Priority Review, discussed below.

In addition, a new drug may be eligible for Breakthrough Therapy designation if it is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Breakthrough Therapy designation provides all the features of Fast Track designation in addition to intensive guidance on an efficient drug development program beginning as early as Phase 1, and FDA organizational commitment to expedited development, including involvement of senior managers and experienced review staff in a cross-disciplinary review, where appropriate.

Any product submitted to the FDA for approval, including a product with Fast Track or Breakthrough Therapy designation, may also be eligible for additional FDA programs intended to expedite the review and approval process, including Priority Review designation and Accelerated Approval. A product is eligible for Priority Review if it has the potential to provide a significant improvement in safety or effectiveness in the treatment, diagnosis or prevention of a serious disease or condition. Under priority review, the FDA must review an application in six months compared to ten months for a standard review.

Additionally, products are eligible for Accelerated Approval if they can be shown to have an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or an effect on a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality which 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.

Accelerated Approval is usually contingent on a sponsor's agreement to conduct additional post-approval studies to verify and describe the product's clinical benefit and, under the Food and Drug Omnibus Reform Act of 2022, or FDORA, the FDA is now permitted to require, as appropriate, that such trials be underway prior to approval or within a specific time period after the date of approval for a product granted accelerated approval. Under FDORA, the FDA has increased authority for expedited procedures to withdraw approval of a drug or indication approved under Accelerated Approval if, for example, the confirmatory trial fails to verify the predicted clinical benefit of the product. In addition, for products being considered for accelerated approval, the FDA generally requires, unless otherwise informed by the Agency, that all advertising and promotional materials that are intended for dissemination or publication within 120 days following marketing approval be submitted to the agency for review during the pre-approval review period, and that after 120 days following marketing approval, all advertising and promotional materials must be submitted at least 30 days prior to the intended time of initial dissemination or publication.

Under FDORA, a platform technology incorporated within or utilized by a drug or biological product is eligible for designation as a designated platform technology if (1) the platform technology is incorporated in, or utilized by, a drug approved under an NDA; (2) preliminary evidence submitted by the sponsor of the approved or licensed drug, or a sponsor that has been granted a right of reference to data submitted in the application for such drug, demonstrates that the platform technology has the potential to be incorporated in, or utilized by, more than one drug without an adverse effect on quality, manufacturing, or safety; and (3) data or information submitted by the applicable person indicates that incorporation or utilization of the platform technology has a reasonable likelihood to bring significant efficiencies to the drug development or manufacturing process and to the review process. A sponsor may request the FDA to designate a platform technology as a designated platform technology concurrently with, or at any time after, submission of an IND application for a drug that incorporates or utilizes the platform technology that is the subject of the request. If so designated, the FDA may expedite the development and review of any subsequent original NDA for a drug that uses or incorporates the platform technology.

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 scientific or medical standards for approval or the quality of evidence necessary to support approval but may expedite the development or review process.

Pediatric Information and Pediatric Exclusivity

Under the Pediatric Research Equity Act, or PREA, as amended, certain NDAs and certain supplements to an NDA must contain data to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of pediatric data or full or partial waivers. The FD&C Act requires that a sponsor who is planning to submit a marketing application for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or PSP, within 60 days of an end-of-Phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of the Phase 3 or Phase 2/3 trial. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials and/or other clinical development programs.

A drug can also obtain pediatric market exclusivity in the U.S. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric trial or of multiple pediatric trials in accordance with an FDA-issued "Written Request" for such trials.

U.S. Post-Approval Requirements for Drugs

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, tracking and tracing, reporting of adverse experiences with the product, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as "off-label use") and limitations on industry-sponsored scientific and educational activities. Manufacturers and other parties involved in the drug supply chain for prescription drug products must also comply with product tracking and tracing requirements and for notifying the FDA of counterfeit, diverted, stolen and intentionally adulterated products or products that are otherwise unfit for distribution in the United States. Although physicians may prescribe legally available products for off-label uses, manufacturers and individuals working on behalf of manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA or NDA supplement, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-market testing, including Phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

In addition, drug manufacturers and their subcontractors involved in the manufacture and distribution of approved drugs, and those supplying products, ingredients, and components of them, are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP, which impose certain procedural and documentation requirements upon us and our contract manufacturers. Failure to comply with statutory and regulatory requirements can subject a manufacturer to possible legal or regulatory action, such as warning letters, suspension of manufacturing, product seizures, injunctions, civil penalties or criminal prosecution. There is also a continuing, annual prescription drug product program user fee.

Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, requirements for post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;

- safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or withdrawal of product approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- injunctions or the imposition of civil or criminal penalties; and
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs; or mandated modification of promotional materials and labeling and issuance of corrective information.

Regulation of Companion Diagnostics

Companion diagnostics identify patients who are most likely to benefit from a particular therapeutic product; identify patients likely to be at increased risk for serious side effects as a result of treatment with a particular therapeutic product; or monitor response to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness. Companion diagnostics are regulated as medical devices by the FDA. In the U.S., the FD&C Act, 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 or FDA exercise of enforcement discretion applies, diagnostic tests generally require marketing clearance or approval from the FDA prior to commercialization. The two primary types of FDA marketing authorization applicable to a medical device are clearance of a premarket notification, or 510(k), and approval of a premarket approval application, or PMA.

To obtain 510(k) clearance for a medical device, or for certain modifications to devices that have received 510(k) clearance, a manufacturer must submit a premarket notification demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or to a preamendment device that was in commercial distribution before May 28, 1976, or a predicate device, for which the FDA has not yet called for the submission of a PMA. In making a determination that the device is substantially equivalent to a predicate device, the FDA compares the proposed device to the predicate device and assesses whether the subject device is comparable to the predicate device with respect to intended use, technology, design and other features which could affect safety and effectiveness. If the FDA determines that the subject device is substantially equivalent to the predicate device, the subject device may be cleared for marketing. The 510(k) premarket notification pathway generally takes from three to twelve months from the date the application is completed, but can take significantly longer.

A PMA must be supported by valid scientific evidence, which typically requires extensive data, including technical, preclinical, clinical and manufacturing data, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. For diagnostic tests, a PMA typically includes data regarding analytical and clinical validation studies. As part of its review of the PMA, the FDA will conduct a pre-approval inspection of the manufacturing facility or facilities to ensure compliance with the Quality System Regulation, or QSR, which requires manufacturers to follow design, testing, control, documentation and other quality assurance procedures. The FDA's review of an initial PMA is required by statute to take between six months, although the process typically takes longer, and may require several years to complete. If the FDA evaluations of both the PMA and the manufacturing facilities are favorable, the FDA will either issue an approval letter or an approvable letter, which usually contains a number of conditions that must be met in order to secure the final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny the 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. Once granted, PMA approval may be withdrawn by the FDA if compliance with post-approval requirements, conditions of approval or other regulatory standards is not maintained, or problems are identified following initial marketing.

On July 31, 2014, the FDA issued a final guidance document addressing the development and approval process for "In Vitro Companion Diagnostic Devices." According to the guidance document, for novel therapeutic products that depend on the use of a diagnostic test and where the diagnostic device could be essential for the safe and effective use of the corresponding therapeutic product, the premarket application for the companion diagnostic device should be developed and approved or cleared contemporaneously with the therapeutic, although the FDA recognizes that there may be cases when contemporaneous development may not be possible. However, in cases where a drug cannot be used safely or effectively without the companion diagnostic, the FDA's guidance indicates it will generally not approve the drug without the approval or clearance of the diagnostic device. The FDA also issued a draft guidance in July 2016 setting forth the principles for co-development of an in

vitro companion diagnostic device with a therapeutic product. The draft guidance describes principles to guide the development and contemporaneous marketing authorization for the therapeutic product and its corresponding in vitro companion diagnostic.

Once cleared or approved, the companion diagnostic device must adhere to post-marketing requirements including the requirements of the FDA's QSR, adverse event reporting, recalls and corrections along with product marketing requirements and limitations. Like drug makers, companion diagnostic makers are subject to unannounced FDA inspections at any time during which the FDA will conduct an audit of the product(s) and our facilities for compliance with its authorities.

Other Regulatory Matters

Manufacturing, sales, promotion and other activities of product candidates following product approval, where applicable, or commercialization are also subject to regulation by numerous regulatory authorities in the U.S. in addition to the FDA, which may include the Centers for Medicare & Medicaid Services, or CMS, other divisions of the Department of Health and Human Services, the Department of Justice, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments and governmental agencies.

Other Healthcare Laws

Healthcare providers, physicians, and third-party payors will play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors, healthcare providers and physicians 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 develop, market, sell and distribute any drugs for which we obtain marketing approval. In the United States, these laws include, without limitation, state and federal anti-kickback, false claims, physician transparency, and patient data privacy and security laws and regulations. If our operations are found to be in violation of any of such laws or any other governmental regulations that apply, we may be subject to penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, exclusion from participation in federal and state healthcare programs and responsible individuals may be subject to imprisonment.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other related governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, disgorgement, exclusion from government funded healthcare programs, such as Medicare and Medicaid, reputational harm, additional oversight and reporting obligations if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to similar actions, penalties and sanctions. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company's attention from its business.

Insurance Coverage and Reimbursement

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage, and establish adequate reimbursement levels for, the product. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services. CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree. No uniform policy of coverage and reimbursement for drug products exists among third-party payors. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, reviewing the cost-effectiveness of medical

products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

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

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Current and future healthcare reform legislation

In the United States and some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare. For example, in March 2010, the United States Congress enacted the Affordable Care Act, which, among other things, includes changes to the coverage and payment for products under government health care programs. The Affordable Care Act includes provisions of importance to our potential product candidates that:

- created an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic products, apportioned among these entities according to their market share in certain government healthcare programs;
- expanded eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- expanded manufacturers' rebate liability under the Medicaid Drug Rebate Program by increasing the minimum rebate for both branded and generic drugs and revising the definition of "average manufacturer price," or AMP, for calculating and reporting Medicaid drug rebates on outpatient prescription drug prices;
- addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expanded the types of entities eligible for the 340B drug discount program;
- established the Medicare Part D coverage gap discount program by requiring manufacturers to provide point-of-sale-discounts off the negotiated price of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturers' outpatient drugs to be covered under Medicare Part D; and
- created a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an Executive Order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The Executive Order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among

others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how other healthcare reform measures of the Biden administrations or other efforts, if any, to challenge repeal or replace the ACA, will impact our business.

Other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. In August 2011, the Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030 unless additional Congressional action is taken. The Coronavirus Aid, Relief and Economic Security Act, or CARES Act, which was signed into law in March 2020 and is designed to provide financial support and resources to individuals and businesses affected by the COVID-19 pandemic, suspended these reductions from May 1, 2020, through March 31, 2022 due to the COVID-19 pandemic. Then, a 1% payment reduction occurred beginning April 1, 2022 through June 30, 2022, and the 2% payment reduction resumed on July 1, 2022. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, including bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their commercial products, which has resulted in several Congressional inquiries and proposed and enacted state and federal 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 pharmaceutical products. For example, at the federal level, the current administration's budgets for fiscal years 2019 and 2020 contained further drug price control measures that could be enacted in future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. Additionally, the current administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase drug manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products, and reduce the out-of-pocket costs of drug products paid by consumers. The U.S. Department of Health and Human Services has already started the process of soliciting feedback on some of these measures and, at the same time, is immediately implementing others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. Although a number of these and other measures may require additional authorization to become effective, Congress and the current administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. Individual states in the United States have also 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.

On May 30, 2018, the Right to Try Act was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 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 drug products available to eligible patients as a result of the Right to Try Act.

In August 2022, the IRA was signed into law. The IRA includes several provisions that may impact our business to varying degrees, including provisions that establish a $2,000 out-of-pocket cap for Medicare Part D beneficiaries, impose new manufacturer financial liability on many drugs reimbursed under Medicare Part D, allow the U.S. government to negotiate Medicare Part B and Part D pricing for certain high-cost drugs and biologics without generic or biosimilar competition, and require companies to pay rebates to Medicare for drug prices that increase faster than inflation. The effect of IRA on our business and the healthcare industry in general is not yet known.

Outside the United States, ensuring coverage and adequate payment for a product also involves challenges. Pricing of prescription pharmaceuticals is subject to government control in many countries. Pricing negotiations with government authorities can extend well beyond the receipt of regulatory approval for a product and may require a clinical trial that compares the cost-effectiveness of a product to other available therapies. The conduct of such a clinical trial could be expensive and result in delays in commercialization.

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed upon. Some countries may require the

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

Compliance with other federal and state laws or requirements; changing legal requirements

If any products that we may develop are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. Products must meet applicable child-resistant packaging requirements under the U.S. Poison Prevention Packaging Act. Manufacturing, labeling, packaging, distribution, sales, promotion and other activities also are potentially subject to federal and state consumer protection and unfair competition laws, among other requirements to which we may be subject.

The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive recordkeeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

The failure to comply with any of these laws or regulatory requirements may subject firms to legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, exclusion from federal healthcare programs, requests for recall, seizure of products, total or partial suspension of production, denial or withdrawal of product approvals, relabeling or repackaging, or refusal to allow a firm to enter into supply contracts, including government contracts. Any claim or action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. Prohibitions or restrictions on marketing, sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to product labeling or packaging; (iii) the recall or discontinuation of our products; or (iv) additional recordkeeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

Other U.S. Environmental, Health and Safety Laws and Regulations

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

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

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

Government Regulation of Drugs Outside of the United States

To market any product outside of the U.S., we would need to comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials, marketing authorization or identification of an alternate regulatory pathway, manufacturing, commercial sales and distribution of our products. For instance, in the United Kingdom and the European Economic Area, or the EEA (comprised of the EU Member States plus Iceland, Liechtenstein and Norway), medicinal products must be authorized for marketing by using either the centralized procedure or a national procedure.

- *Centralized procedure*—If pursuing marketing authorization of a product candidate for a therapeutic indication under the centralized procedure, following the opining of the European Medicines Agency's Committee for Medicinal Products for Human Use, or CHMP, the European Commission issues a single marketing authorization valid across the EEA. The centralized procedure is compulsory for human medicines derived from biotechnology processes or advanced therapy medicinal products (i.e. gene therapy, somatic cell therapy and tissue engineered products), products that contain a new active substance indicated for the treatment of certain diseases, such as HIV/AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune diseases and other immune dysfunctions, viral diseases, and designated orphan medicinal products. For medicines that do not fall within these categories, an applicant has the option of submitting an application for a centralized marketing authorization to the European Medicines Agency, or EMA, as long as the medicine concerned contains a new active substance not yet authorized in the EU, is a significant therapeutic, scientific or technical innovation, or if its authorization would be in the interest of public health in the EU. Under the centralized procedure the maximum timeframe for the evaluation of an MAA by the EMA is 210 days, excluding clock stops, when additional written or oral information is to be provided by the applicant in response to questions asked by the CHMP. Clock stops may extend the timeframe of evaluation of an MAA considerably beyond 210 days. Where the CHMP gives a positive opinion, it provides the opinion together with supporting documentation to the European Commission, who makes the final decision to grant a marketing authorization, which is issued within 67 days of receipt of the EMA's recommendation. Accelerated assessment might be granted by the CHMP in exceptional cases, when a medicinal product is expected to be of a major public health interest, particularly from the point of view of therapeutic innovation. The timeframe for the evaluation of an MAA under the accelerated assessment procedure is 150 days, excluding clock stops, but it is possible that the CHMP can revert to the standard time limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment.
- *National procedures*—There are also two other possible routes to authorize products for therapeutic indications in several countries, which are available for products that fall outside the scope of the centralized procedure:
    - *Decentralized procedure*—Using the decentralized procedure, an applicant may apply for simultaneous authorization in more than one EU country of medicinal products that have not yet been authorized in any EU country and that do not fall within the mandatory scope of the centralized procedure.
    - *Mutual recognition procedure*—In the mutual recognition procedure, a medicine is first authorized in one EU country, in accordance with the national procedures of that country. Following this, additional marketing authorizations can be sought from other EU countries in a procedure whereby the countries concerned recognize the validity of the original, national marketing authorization.

Now that the United Kingdom (which comprises Great Britain and Northern Ireland) has left the European Union, Great Britain is no longer covered by centralized marketing authorizations (under the Northern Ireland Protocol, centralized marketing authorizations will continue to be recognized in Northern Ireland). All medicinal products with a current centralized marketing authorization were automatically converted to Great Britain authorizations on January, 1, 2021. For a period of two years from January 1, 2021, the Medicines and Healthcare products Regulatory Agency, or MHRA, the UK medicines regulator, may rely on a decision taken by the European Commission on the approval of a new marketing authorization in the centralized procedure, in order to more quickly grant a new Great Britain marketing authorization. A separate application will, however, still be required. The MHRA also has the power to have regard to marketing authorizations approved in EU Member States through decentralized or mutual recognition procedures with a view to more quickly granting a marketing authorization in the United Kingdom or Great Britain.

In the EU, innovative medicinal products for therapeutic indications that are authorized for marketing (i.e., reference products) qualify for eight years of data exclusivity and an additional two years of market exclusivity upon marketing authorization. The data exclusivity period prevents generic or biosimilar applicants from referencing the innovator's preclinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar marketing authorization in the EU during a period of eight years from the date on which the reference product was first authorized in the

EU. The market exclusivity period prevents a successful generic or biosimilar applicant from commercializing its product in the EU until ten years have elapsed from the initial authorization of the reference product in the EU. The ten-year market exclusivity period can be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. There is no guarantee that a product will be considered by the EMA to be an innovative medicinal product, and products may not qualify for data exclusivity. Even if a product is considered to be an innovative medicinal product so that the innovator gains the prescribed period of data exclusivity, another company nevertheless could also 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.

The criteria for designating an "orphan medicinal product" in the EU are similar in principle to those in the U.S. In the EU a medicinal product may be designated as orphan if: (1) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (2) either (a) such condition affects no more than five in 10,000 persons in the EU when the application is made, or (b) it is unlikely that the product, without the benefits derived from orphan status, would generate sufficient return in the EU to justify the necessary investment in its development; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU or, if such a method exists, the product will be of significant benefit to those affected by that condition. Orphan medicinal products are eligible for financial incentives such as reduction of fees or fee waivers and are, upon grant of a marketing authorization, entitled to ten years of market exclusivity for the approved therapeutic indication. During this ten-year orphan market exclusivity period, no MAA shall be accepted, and no marketing authorization shall be granted for a similar medicinal product for the same therapeutic indication. A "similar medicinal product" is defined as a medicinal product containing a similar active substance or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. An orphan product can also obtain an additional two years of market exclusivity in the EU where an agreed pediatric investigation plan for pediatric studies has been complied with. No extension to any supplementary protection certificate, or SPC, can be granted on the basis of pediatric studies for orphan indications. The ten-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation, for example, if the product is sufficiently profitable not to justify maintenance of market exclusivity. Additionally, marketing authorization may be granted to a similar product for the same therapeutic indication at any time if (i) the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior; (ii) the marketing authorization holder for the authorized orphan product consents to a second orphan medicinal product application; or (iii) the marketing authorization holder for the authorized orphan product cannot supply enough orphan medicinal product.

Prior to obtaining a marketing authorization in the EU, applicants must demonstrate compliance with all measures included in an EMA-approved pediatric investigation plan, or PIP, covering all subsets of the pediatric population, unless the EMA has granted a product-specific waiver, a class waiver, or a deferral for one or more of the measures included in the PIP. The respective requirements for all marketing authorization procedures are laid down in Regulation (EC) No 1901/2006, the so-called Pediatric Regulation. This requirement also applies when a company wants to add a new indication, pharmaceutical form or route of administration for a medicine that is already authorized. The Pediatric Committee of the EMA, or PDCO, may grant deferrals for some medicines, allowing a company to delay development of the medicine for children until there is enough information to demonstrate its effectiveness and safety in adults. The PDCO may also grant waivers when development of a medicine for children is not needed or is not appropriate, such as for diseases that only affect the elderly population. Before an MAA can be filed, or an existing marketing authorization can be amended, the EMA determines that companies actually comply with the agreed studies and measures listed in each relevant PIP. If an applicant obtains a marketing authorization in all EU Member States, or a marketing authorization granted in the centralized procedure by the European Commission, and the study results for the pediatric population are included in the product information, even when negative, the medicine is then eligible for an additional six-month period of qualifying patent protection through extension of the term of the SPC, provided an application for such extension is made at the same time as filing the SPC application for the product, or at any point up to 2 years before the SPC expires. In the case of orphan medicinal products, a two year extension of the orphan market exclusivity may be available. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

Similar to as in the U.S., the various phases of non-clinical and clinical research in the European Union are subject to significant regulatory controls.

In April 2014, the EU adopted the new Clinical Trials Regulation, (EU) No 536/2014 (Clinical Trials Regulation) which replaced the Clinical Trials Directive 2001/20/EC on January 31, 2022. The Clinical Trials Regulation is directly applicable in all the EU Member States, meaning no national implementing legislation in each EU Member State is required. The extent to which ongoing clinical trials will be governed by the Clinical Trials Regulation will depend on the duration of the individual clinical trial. If a clinical trial continues for more than three years from the day on which the Clinical Trials Regulation became

applicable the Clinical Trials Regulation will at that time begin to apply to the clinical trial. The new Clinical Trials Regulation aims to simplify and streamline the approval of clinical trials in the European Union.

The main characteristics of the regulation include: a streamlined application procedure via a single-entry point, the "Clinical Trials Information System" or CTIS; a single set of documents to be prepared and submitted for the application as well as simplified reporting procedures for clinical trial sponsors; and a harmonized procedure for the assessment of applications for clinical trials, which is divided in two parts. Part I is assessed by coordinated assessment by the competent authorities of all EU Member States in which an application for authorization of a clinical trial has been submitted (Member States concerned) following review by a Reference Member State. Part II is assessed separately by each Member State concerned. Strict deadlines have been established for the assessment of clinical trial applications. The role of the relevant ethics committees in the assessment procedure will continue to be governed by the national law of the concerned EU Member State. However, overall related timelines will be defined by the Clinical Trials Regulation.

The aforementioned EU rules are generally applicable in the European Economic Area, or EEA, which consists of the EU Member States, plus Norway, Liechtenstein and Iceland.

Government regulation of data collection outside of the United States

In the event we conduct clinical trials in the European Union, we will be subject to additional privacy restrictions. The collection and use of personal health data in the EEA is governed by the General Data Protection Regulation, or the GDPR, which became effective on May 25, 2018. The GDPR applies to the processing of personal data by any company established in the EEA and to companies established outside the EEA to the extent they process personal data in connection with the offering of goods or services to data subjects in the EEA or the monitoring of the behavior of data subjects in the EEA. The GDPR enhances data protection obligations for data controllers of personal data, including stringent requirements relating to the consent of data subjects, expanded disclosures about how personal data is used, requirements to conduct privacy impact assessments for "high risk" processing, limitations on retention of personal data, mandatory data breach notification and "privacy by design" requirements, and creates direct obligations on service providers acting as processors. The GDPR also imposes strict rules on the transfer of personal data outside of the EEA to countries that do not ensure an adequate level of protection, like the United States. Failure to comply with the requirements of the GDPR and the related national data protection laws of the EEA Member States, which may deviate slightly from the GDPR, may result in fines of up to 4% of a company's global revenues for the preceding financial year, or €20,000,000, whichever is greater. Moreover, the GDPR grants data subjects the right to claim material and non-material damages resulting from infringement of the GDPR. Given the breadth and depth of changes in data protection obligations, maintaining compliance with the GDPR will require significant time, resources and expense, and we may be required to put in place additional controls and processes ensuring compliance with the new data protection rules. There has been limited enforcement of the GDPR to date, particularly in biopharmaceutical development, so we face uncertainty as to the exact interpretation of the new requirements on any future trials and we may be unsuccessful in implementing all measures required by data protection authorities or courts in interpretation of the new law. In addition, further to the United Kingdom's exit from the European Union on January 31, 2020, the GDPR ceased to apply in the United Kingdom at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the United Kingdom's European Union (Withdrawal) Act 2018 incorporated the GDPR (as it existed on December 31, 2020, but subject to certain UK specific amendments) into UK law, referred to as the UK GDPR. The UK GDPR and the UK Data Protection Act 2018 set out the United Kingdom's data protection regime, which is independent from but aligned to the European Union's data protection regime. Non-compliance with the UK GDPR may result in monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher. Although the UK is regarded as a third country under the European Union's GDPR, the European Commission has now issued a decision recognizing the UK as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the EU to the UK remain unrestricted. Like the EU GDPR, the UK GDPR restricts personal data transfers outside the United Kingdom to countries not regarded by the United Kingdom as providing adequate protection. The UK government has confirmed that personal data transfers from the United Kingdom to the EEA remain free flowing.

There is significant uncertainty related to the manner in which data protection authorities will seek to enforce compliance with the GDPR. For example, it is not clear if the authorities will conduct random audits of companies doing business in the EEA, or if the authorities will wait for complaints to be filed by individuals who claim their rights have been violated. Enforcement uncertainty and the costs associated with ensuring GDPR compliance are onerous and may adversely affect our business, financial condition, results of operations and prospects.

Should we utilize third party distributors, compliance with such foreign governmental regulations would generally be the responsibility of such distributors, who may be independent contractors over whom we have limited control.

Brexit and the Regulatory Framework in the United Kingdom

On June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the European Union (commonly referred to as "Brexit"), and the UK formally left the EU on January 31, 2020. There was a transition period during which EU pharmaceutical laws continued to apply to the UK, which expired on December 31, 2020. However, the EU and the UK have concluded a trade and cooperation agreement, or TCA, which was provisionally applicable since January 1, 2021 and has been formally applicable since May 1, 2021. The TCA includes specific provisions concerning pharmaceuticals, which include the mutual recognition of GMP, inspections of manufacturing facilities for medicinal products and GMP documents issued, but does not foresee wholesale mutual recognition of UK and EU pharmaceutical regulations. At present, Great Britain has implemented EU legislation on the marketing, promotion and sale of medicinal products through the Human Medicines Regulations 2012 (as amended) (under the Northern Ireland Protocol, the EU regulatory framework will continue to apply in Northern Ireland). The regulatory regime in Great Britain therefore largely aligns with current EU regulations, however it is possible that these regimes will diverge in future now that Great Britain's regulatory system is independent from the EU and the TCA does not provide for mutual recognition of UK and EU pharmaceutical legislation.

Employees and Human Capital

As of December 31, 2022, we had 167 full-time employees, of which 84 have M.D. or Ph.D. degrees. Within our workforce, 134 employees are engaged in research and development and 33 are engaged in business development, finance, legal, and general management and administration. We consider the intellectual capital of our employees to be an essential driver of our business and key to our future prospects. Our workforce expanded during FY22; new employees were hired to support and extend our clinical and preclinical pipeline, with hires in clinical development and operations, research, manufacturing, and general and administrative functions. We expect to continue to add additional employees in 2023 with a focus on expanding increasing expertise and bandwidth in clinical and preclinical research and development. We continually evaluate the business need and opportunity and balance in house expertise and capacity with outsourced expertise and capacity. Currently, we outsource substantially all clinical trial work to clinical research organizations and certain drug manufacturing to contract manufacturers. Drug development is a complex endeavor which requires deep expertise and experience across a broad array of disciplines. Pharmaceutical companies, both large and small, compete for a limited number of qualified applicants to fill specialized positions. We monitor our compensation programs closely and provide what we consider to be a very competitive mix of compensation and insurance benefits for all our employees, as well as participation in our equity programs. To attract qualified applicants, the Company offers a comprehensive benefits package consisting of base salary and cash target bonus, medical and other benefits and equity compensation for every employee. Bonus opportunity and equity compensation increase as a percentage of total compensation based on level of responsibility. Actual bonus payout is based on performance.

None of our employees is subject to a collective bargaining agreement or represented by a trade or labor union. We consider our relations with our employees to be good.

We support our employees' further development with individualized development plans, mentoring, coaching, group training, conference attendance and financial support including tuition reimbursement.

Response to COVID-19

Beginning in March 2020, we have supported our employees and government efforts to curb the COVID-19 pandemic through a multifaceted communication, infrastructure, and behavior modification and enforcement effort. Practices that were implemented at different times in 2022 included the following:

- Establishing clear and regular COVID-19 policies, safety protocols, and updates to all employees;
- Decreasing density and increasing physical distancing in workspaces for employees working onsite by scheduling adjustments and adding work from home flexibility;
- Adjusting attendance policies to encourage those who are sick to stay home;
- Increasing cleaning protocols at our Watertown, MA headquarters;
- Providing additional personal protective equipment and cleaning supplies;
- Implementing weekly COVID-19 testing;
- Implementing protocols to address actual and suspected COVID-19 cases and potential exposure;
- Prohibiting all domestic and international non-essential travel for all employees;

- Requiring masks to be worn in all locations.

Facilities

Our corporate headquarters are located in Watertown, Massachusetts, where we lease and occupy approximately 34,522 square feet of office and laboratory space. The current term of our Watertown lease expires March 31, 2030, with an option to extend the term five additional years with 12 months' notice with rent set at an agreed upon market rate.

On December 20, 2021, we entered into a noncancelable lease for 100,624 square feet of office and laboratory space in Watertown, Massachusetts. This lease has an initial term of 134 months, and we have two consecutive options to extend the term of the lease for five years each at then-market rates.

Our new facility is expected to be sufficient to meet our current needs. To meet the future needs of our business, we may lease additional or alternate space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

Our Corporate Information

We were incorporated under the laws of Delaware in September 2015 under the name Project HSC, Inc. We are the successor in interest to Kymera Therapeutics, LLC, a limited liability company formed under the laws of the State of Delaware on May 25, 2017 and the former holder of all of our outstanding shares of common stock. Our principal executive offices are located at 200 Arsenal Yards Blvd., Suite 230, Watertown, MA 02472 and our telephone number is (857) 285-5300. Our website address is www.kymeratx.com. References to our website are inactive textual references only and the content of our website should not be deemed incorporated by reference into this Annual Report on Form 10-K.

Available Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are available free of charge on our website located at www.kymeratx.com as soon as reasonably practicable after they are filed with or furnished to the Securities and Exchange Commission, or the SEC.

The SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding us and other issuers that file electronically with the SEC. The SEC's Internet website address is http://www.sec.gov.

A copy of our Corporate Governance Guidelines, Code of Business Conduct and Ethics and the charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are posted on our website, www.kymeratx.com, under "Investors".

Item 1A. Risk Factors.

Our business involves a high degree of risk. You should carefully consider the material and other risks and uncertainties described and summarized below, as well as the other information in this Annual Report on Form 10-K, including our consolidated financial statements and related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Special Note Regarding Forward-Looking Statements," before you make an investment decision. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this Annual Report on Form 10-K. The risks described below are not the only risks that we face. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and prospects. As a result, the market price of our common stock could decline, and you may lose all or part of your investment in our common stock.

Risks Related to Our Financial Position and Need for Additional Capital

We are a biopharmaceutical company with a limited operating history and have not generated any revenue to date from drug sales, and may never become profitable.

Biopharmaceutical drug development is a highly speculative undertaking and involves a substantial degree of risk. Since our formation in 2015 and our initial funding in 2016, our operations to date have been limited primarily to organizing and staffing our company, business planning, raising capital, researching and developing our drug discovery technology, developing our pipeline, building our intellectual property portfolio, undertaking preclinical studies and conducting Phase 1 clinical trials of our product candidates. We have never generated any revenue from drug sales. We have not obtained regulatory approvals for any of our current product candidates. Typically, it takes many years to develop one new pharmaceutical drug from the time it is discovered to when it is available for treating patients. Consequently, any predictions we make about our future success or viability may not be as accurate as they could be if we had a longer operating history. In addition, as a business with a limited operating history, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, such as the COVID-19 pandemic. We will need to transition from a company with a research and development focus to a company capable of supporting late-stage development and commercial activities. We may not be successful in such a transition.

We have incurred significant operating losses since our inception and anticipate that we will incur continued losses for the foreseeable future.

Since inception, we have focused substantially all of our efforts and financial resources on developing our proprietary targeted protein degradation drug discovery platform, or the Pegasus™ platform, and initial product candidates as well as supporting our collaborations and partnerships. To date, we have financed our operations primarily through the issuance and sale of our convertible preferred stock to outside investors and collaborators in private equity financings, upfront payments under our existing collaborations and our initial public offering, follow-on offering and PIPE offering. From our inception through December 31, 2022, we raised an aggregate of approximately $1.03 billion of gross proceeds from such transactions and through our collaborations with Genzyme Corporation, or Sanofi, and Vertex Pharmaceuticals Incorporated, or Vertex. As of December 31, 2022, our cash and cash equivalents and investments were $559.5 million. We have incurred net losses in each year since our inception, and we had an accumulated deficit of $383.8 million as of December 31, 2022. For the years ended December 31, 2022, 2021 and 2020, we reported net losses of $154.8 million, $100.2 million and $45.6 million, respectively. Substantially all of our operating losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over the next several years and for the foreseeable future. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders' deficit and working capital. We expect our expenses to significantly increase in connection with our ongoing activities, as we:

- initiate and complete preclinical studies and clinical trials for current or future product candidates, including KT-474, KT-413, KT-333 and KT-253;
- prepare and submit Investigational New Drug applications, or INDs, with the U.S. Food and Drug Administration, or FDA, for future product candidates;
- develop and scale up our capabilities to support our ongoing preclinical activities and clinical trials for our product candidates and commercialization of any of our product candidates for which we may obtain marketing approval;
- secure facilities to support continued growth in our research, development and commercialization efforts;

- advance research and development related activities to expand our product pipeline;
- expand and improve the capabilities of our Pegasus™ platform;
- seek regulatory approval for our product candidates that successfully complete clinical development;
- contract to manufacture our product candidates;
- maintain, expand and protect our intellectual property portfolio;
- hire additional staff, including clinical, scientific and management personnel; and
- incur additional costs associated with continuing to operate as a public company.

In addition, if we obtain marketing approval for our current or future product candidates, we will incur significant expenses relating to sales, marketing, product manufacturing and distribution. Because of the numerous risks and uncertainties associated with developing pharmaceutical drugs, including in light of the ongoing evolution of the COVID-19 pandemic, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

Risks Related to Future Financial Condition

We will need to raise substantial additional funding. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, scale back or discontinue some of our product candidate development programs or future commercialization efforts.

The development of pharmaceutical drugs is capital-intensive. We have commenced clinical development of KT-474, KT-413, and KT-333, and plan to initiate clinical development of KT-253 this year. We are also currently advancing multiple development candidates through preclinical development across a number of potential indications. We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we continue the research and development of, advance the preclinical and clinical activities of, and seek marketing approval for, our current or future product candidates. In addition, if we obtain marketing approval for any of our current or future product candidates, we expect to incur significant commercialization expenses related to sales, marketing, product manufacturing and distribution to the extent that such sales, marketing, product manufacturing and distribution are not the responsibility of our collaborators. We may also need to raise additional funds sooner if we choose to pursue additional indications and/or geographies for our current or future product candidates or otherwise expand more rapidly than we presently anticipate. Furthermore, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, scale back or discontinue the development and commercialization of one or more of our product candidates, and may be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

As of December 31, 2022, we had approximately $559.5 million of cash and cash equivalents and investments. In August 2020, we completed an IPO of our common stock by issuing 9,987,520 shares of our common stock, including the exercise in full by the underwriters of their option to purchase up to 1,302,720 additional shares of common stock, at a public offering price of $20.00 per share. The aggregate gross proceeds to us from the offering, before deducting underwriting discounts and commissions, and other estimated offering expenses payable by us, were approximately $199.8 million. Concurrent with the IPO, we announced the sale of 676,354 common shares at the public offering price per share in a private placement to Vertex. The aggregate gross proceeds to us from the concurrent private placement were approximately $13.5 million. The concurrent private placement also closed in August 2020. In July 2021, we completed a follow-on offering of our common stock and an additional private placement transaction with Vertex resulting, in the aggregate, in net proceeds of approximately, $243.1 million. In August 2022, we completed a PIPE offering of our common stock and pre-funded warrants resulting in gross proceeds of $150.0 million. We expect that the approximately $559.5 million of cash and cash equivalents and investments at December 31, 2022 will be sufficient to fund our operations into the second half of 2025. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. This estimate also assumes that we do not obtain any additional funding through collaborations or other strategic alliances. Our future capital requirements will depend on, and could increase significantly as a result of, many factors, including:

- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our current or future product candidates, including additional expenses attributable to adjusting our development plans (including any supply related matters) in response to the ongoing COVID-19 pandemic;

- the scope, prioritization and number of our research and development programs;
- the costs, timing and outcome of regulatory review of our current or future product candidates;
- our ability to establish and maintain additional collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under any existing or additional collaboration agreements we obtain;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other current or future product candidates and technologies;
- the costs of securing manufacturing arrangements for commercial production; and
- the costs of establishing or contracting for sales and marketing capabilities if we obtain regulatory clearances to market our current or future product candidates.

Identifying potential product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve drug sales. In addition, our current or future product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional funding to achieve our business objectives.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current or future product candidates. Disruptions in the financial markets in general may make equity and debt financing more difficult to obtain and may have a material adverse effect on our ability to meet our fundraising needs. We cannot guarantee that future financing will be available in sufficient amounts or on terms favorable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute all of our stockholders. The incurrence of indebtedness would result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborators or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or current or future product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

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

As a public company, we will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which require, among other things, that we file with the Securities and Exchange Commission, or the SEC, annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and The Nasdaq Global Market to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas, such as “say on pay” and proxy access. We were required to implement these requirements beginning in 2022 and incurred unexpected expenses in connection with such implementation. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

The rules and regulations applicable to public companies substantially increase our legal and financial compliance costs and make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations. The increased costs will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

Risks Related to Drug Development and Regulatory Approval

Risks Related to Preclinical and Clinical Development

We are very early in our development efforts. All of our product candidates are in preclinical or early clinical development. If we are unable to commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.

Our ability to become profitable depends upon our ability to generate revenue. To date, while we have generated collaboration revenue, we have not generated any revenue from our product candidates, and we do not expect to generate any revenue from the sale of drugs in the near future. We do not expect to generate revenue from product sales unless and until we complete the development of, obtain marketing approval for, and begin to sell, one or more of our product candidates. We are also unable to predict when, if ever, we will be able to generate revenue from such product candidates due to the numerous risks and uncertainties associated with drug development, including the uncertainty of:

- the results of our ongoing or planned clinical trials of our product candidates, including KT-474, KT-413, KT-333 and KT-253;
- the results of preclinical studies and timing of IND clearances of future product candidates, and/or clinical trial costs for current and future product candidates;
- our successful initiation, enrollment of and completion of clinical trials for current and future product candidates, including our ability to generate positive data from any such clinical trials;
- our ability to receive regulatory approvals from applicable regulatory authorities;
- the initiation and successful completion of all safety studies required to obtain U.S. and foreign marketing approval for our product candidates;
- the costs associated with the development of any additional development programs we identify in-house or acquire through collaborations or other arrangements;
- our ability to establish and maintain manufacturing capabilities or make arrangements with third-party manufacturers for clinical supply and commercial manufacturing;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others;
- obtaining and maintaining acceptance of our product candidates, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement;
- the success of our existing collaborations as well as the terms and timing of any additional collaboration, license or other arrangement, including the terms and timing of any payments thereunder;
- our ability to enforce and defend intellectual property rights and claims; and
- our ability to maintain a continued acceptable safety profile of our product candidates following approval.

We expect to incur significant sales and marketing costs as we prepare to commercialize our current or future product candidates. Even if we initiate and successfully complete pivotal or registration-enabling clinical trials of our current or future product candidates, and our current or future product candidates are approved for commercial sale, and despite expending these costs, our current or future product candidates may not be commercially successful. We may not achieve profitability soon after generating drug sales, if ever. If we are unable to generate revenue, we will not become profitable and may be unable to continue operations without continued funding.

Our approach to the discovery and development of product candidates based on our Pegasus platform is novel and unproven, which makes it difficult to predict the time, cost of development and likelihood of successfully developing any products.

Our Pegasus™ platform utilizes a method known as targeted protein degradation, or TPD, to discover and develop product candidates. Our future success depends on the successful development of this novel therapeutic approach. No product candidate using a heterobifunctional degrader has been approved in the United States or Europe, and the data underlying the feasibility of developing such therapeutic products is both preliminary and limited. In addition, we have not yet succeeded and may not succeed in demonstrating the efficacy and safety of any of our product candidates in clinical trials or in obtaining marketing approval thereafter. In particular, our ability to successfully achieve TPD with a therapeutic result requires the successful development of heterobifunctional molecules that were intentionally designed with a rational drug development process and developing those molecules with the right combination of protein targets and E3 ligases. This is a complex process requiring a number of component parts or biological mechanisms to work in unison to achieve the desired effect. We cannot be certain that we will be able to discover degraders by matching the right target with the ideal E3 ligase and the right linker in a timely manner, or at all. All of our product candidates are in preclinical or early clinical development. As such, there may be adverse effects from treatment with any of our current or future product candidates that we cannot predict at this time.

As a result of these factors, it is more difficult for us to predict the time and cost of product candidate development, and we cannot predict whether the application of our Pegasus™ platform, or any similar or competitive platforms, will result in the development and marketing approval of any products. Any development problems we experience in the future related to our Pegasus™ platform or any of our research programs may cause significant delays or unanticipated costs or may prevent the development of a commercially viable product. Any of these factors may prevent us from completing our preclinical studies and clinical trials or commercializing any product candidates we may develop on a timely or profitable basis, if at all.

We may not be successful in our efforts to identify or discover additional product candidates or we may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

A key element of our strategy is to apply our Pegasus™ platform and product pipeline to address a broad array of targets and new therapeutic areas. The therapeutic discovery activities that we are conducting may not be successful in identifying product candidates that are useful in treating oncology, inflammation, immunology or genetic diseases. Our research programs may be unsuccessful in identifying potential product candidates, or our potential product candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval.

Because we have limited financial and management resources, we focus on a limited number of research programs and product candidates. We are currently focused on our four most advanced development programs, IRAK4, IRAKIMiD, STAT3 and MDM2, which target key signaling pathways implicated in multiple inflammatory and autoimmune diseases as well as numerous cancers. As a result, we may forego or delay pursuit of opportunities with other current or future product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our spending on current and future research and development programs and current or future product candidates for specific indications may not yield any commercially viable drugs. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through future collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We depend heavily on the successful development of our lead programs. We cannot be certain that we will be able to obtain regulatory approval for, or successfully commercialize, any of our current or future product candidates

We currently have no product candidates approved for sale and may never be able to develop marketable product candidates. Our business depends heavily on the successful development, regulatory approval and commercialization of our current or future product candidates, including our IRAK4, IRAKIMiD, STAT3 and MDM2 programs. The preclinical studies

and clinical trials of our current or future product candidates are, and the manufacturing and marketing of our current or future product candidates will be, subject to extensive and rigorous review and regulation by numerous government authorities in the U.S. and in other countries where we intend to test or, if approved, market any of our current or future product candidates. Before obtaining regulatory approvals for the commercial sale of any of our current or future product candidates, we must demonstrate through preclinical studies and clinical trials that each product candidate is safe and effective for use in each target indication. Drug development is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our preclinical studies and clinical trials. This process can take many years and may include post-marketing studies and surveillance, which will require the expenditure of substantial resources. Of the large number of drugs in development in the U.S., only a small percentage will successfully complete the FDA regulatory approval process and will be commercialized, with similarly low rates of success for drugs in development in the European Union obtaining regulatory approval from the European Commission following scientific evaluation by the European Medicines Agency, or EMA. Accordingly, even if we are able to obtain the requisite financing to continue to fund our development and preclinical studies and clinical trials, we cannot assure you that any of our current or future product candidates will be successfully developed or commercialized. For example, in December 2020, we submitted an IND application for KT-474 to initiate a first-in-human Phase 1 randomized, double-blind, placebo-controlled clinical trial in healthy volunteers and patients with hidradenitis suppurativa (HS) or atopic dermatitis (AD). The program was initially placed on partial clinical hold regarding the multiple ascending dose (MAD) portion of the Phase 1 trial, pending FDA review of the interim data in healthy volunteers from the SAD portion of the trial. In June 2021, the FDA lifted the partial clinical hold on the MAD portion of the Phase 1 trial of KT-474 following review of interim SAD results. As a result, in July 2021, we initiated enrollment in the MAD portion of the Phase 1 trial of KT-474, including healthy volunteers. We completed dose escalation in the SAD and MAD portions of this Phase 1 trial in December 2021. We completed a single dose, food-effect cohort to establish the dose for the patient cohort, or Part C, of the KT-474 Phase 1 trial. Part C has completed and included patients with either moderate-to-severe HS or AD.

We are not permitted to market our current or future product candidates in the U.S. until we receive approval of a New Drug Application, or an NDA, from the FDA, in the European Union, or EU, until we receive approval of a marketing authorisation application, or an MAA, from the European Commission following scientific evaluation by the EMA, or in any other foreign countries until we receive the requisite approval from such countries. Obtaining approval of an NDA or MAA is a complex, lengthy, expensive and uncertain process, and the FDA or EMA may delay, limit or deny approval of any of our current or future product candidates for many reasons, including, among others:

- we may not be able to demonstrate that our current or future product candidates are safe and effective in treating their target indications to the satisfaction of the FDA or applicable foreign regulatory agency;
- the results of our preclinical studies and clinical trials may not meet the level of statistical or clinical significance required by the FDA or applicable foreign regulatory agency for marketing approval;
- the FDA or applicable foreign regulatory agency may disagree with the number, design, size, conduct or implementation of our preclinical studies and clinical trials;
- the FDA or applicable foreign regulatory agency may require that we conduct additional preclinical studies and clinical trials;
- the FDA or applicable foreign regulatory agency may not approve the formulation, labeling or specifications of any of our current or future product candidates;
- the contract research organizations, or CROs, that we retain to conduct our preclinical studies and clinical trials may take actions outside of our control that materially adversely impact our preclinical studies and clinical trials;
- the FDA or applicable foreign regulatory agency may find the data from preclinical studies and clinical trials insufficient to demonstrate that our current or future product candidates' clinical and other benefits outweigh their safety risks;
- the FDA or applicable foreign regulatory agency may disagree with our interpretation of data from our preclinical studies and clinical trials;
- the FDA or applicable foreign regulatory agency may not accept data generated at our preclinical studies and clinical trial sites;
- if our NDA, if and when submitted, is reviewed by an advisory committee, the FDA may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our application or may recommend that the FDA require, as a condition of approval, additional preclinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions;

- the FDA may require development of a Risk Evaluation and Mitigation Strategy, or REMS, as a condition of approval or post-approval;
- the FDA or the applicable foreign regulatory agency may determine that the manufacturing processes or facilities of third-party manufacturers with which we contract do not conform to applicable requirements, including current Good Manufacturing Practices, or cGMPs;
- the FDA or applicable foreign regulatory agency may be delayed in its review processes due to staffing or other constraints arising from the ongoing COVID-19 pandemic; or
- the FDA or applicable foreign regulatory agency may change its approval policies or adopt new regulations.

Any of these factors, many of which are beyond our control, could jeopardize our ability to obtain regulatory approval for and successfully market our current or future product candidates. Any such setback in our pursuit of regulatory approval would have a material adverse effect on our business and prospects.

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

There may be delays in trial initiation, and we may not be able to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the U.S. In particular, our ability to open clinical sites and enroll patients may be significantly delayed by the evolving COVID-19 pandemic and we do not know the extent and scope of such disruptions of patient care or delays at this point. Moreover, some of our competitors have ongoing clinical trials for current or future product candidates that treat the same patient populations as our current or future product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' current or future product candidates.

Patient enrollment may be affected by other factors including:

- the size and nature of the patient population;
- competition with other companies for clinical sites or patients;
- the willingness of participants to enroll in our clinical trials in our countries of interest;
- the severity of the disease under investigation;
- the eligibility criteria for the clinical trial in question;
- the availability of an appropriate screening test for the indications we are pursuing;
- the perceived risks and benefits of the product candidate under study;
- the efforts to facilitate timely enrollment in and completion of clinical trials;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment;
- the proximity and availability of clinical trial sites for prospective patients; and
- factors we may not be able to control, such as potential pandemics that may limit subjects, principal investigators or staff or clinical site availability (e.g., the outbreak of COVID-19).

Interim, "topline," and preliminary data from our clinical trials that we announce or publish from time to time, including relating to our Phase 1 clinical trials of KT-474, KT-413 and KT-333, 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 or topline data from our preclinical studies and clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. 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 topline or 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 also remain subject to audit and verification procedures that may result in the final

data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete, including data from of our Phase 1 trials of KT-474, KT-413 and KT-333, 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 or as patients from our clinical trials continue other treatments for their diseases. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or by our competitors could result in volatility in the price of our common stock.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial, including our Phase 1 trials of KT-474, KT-413 and KT-333, is based on what is typically extensive information, and you or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure.

If the interim, topline, or preliminary data that we report differ from 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, results of operations, prospects or financial condition.

Positive results from early preclinical studies and clinical trials of our current or future product candidates are not necessarily predictive of the results of later preclinical studies and clinical trials of our current or future product candidates. If we cannot replicate the positive results from our preclinical studies of our current or future product candidates in our future clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize our current or future product candidates.

Positive results from our preclinical studies of our current or future product candidates, and any positive results we may obtain from our early clinical trials of our current or future product candidates, including our Phase 1 trial of KT-474, may not necessarily be predictive of the results from required later preclinical studies and clinical trials. Similarly, even if we are able to complete our planned preclinical studies or clinical trials of our current or future product candidates according to our current development timeline, the positive results from such preclinical studies and clinical trials of our current or future product candidates, including our Phase 1 trial of KT-474, may not be replicated in subsequent preclinical studies or clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in preclinical studies and clinical trials, including previously unreported adverse events. 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 approval from the FDA or comparable foreign regulatory authority. If we fail to produce positive results in our planned preclinical studies or clinical trials of any of our current or future product candidates, the development timeline and regulatory approval and commercialization prospects for our current or future product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

Additionally, our planned or future clinical trials may utilize an “open-label” trial design, such as the open-label patient portion of our Phase 1 clinical trials of KT-474, KT-413, KT-333 and KT-253. An “open-label” clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Most typically, open-label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open-label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients in open-label clinical trials are aware when they are receiving treatment. Open-label clinical trials may be subject to a “patient bias” where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. In addition, open-label clinical trials may be subject to an “investigator bias” where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge. The results from an open-label trial, including our Phase 1 trials of KT-474, KT-413 and KT-333, may not be predictive of future clinical trial results with any of our product candidates for which we include an open-label clinical trial when studied in a controlled environment with a placebo or active control

The incidence and prevalence for target patient populations of our product candidates have not been established with precision. If the market opportunities for our product candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability will be adversely affected, possibly materially.

The precise incidence and prevalence for the indications being pursued by our current and future product candidates are currently unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on estimates. We are developing KT-474 for the treatment of a broad set of immunology-inflammation diseases, such as HS, an inflammatory skin disease, AD, and rheumatoid arthritis. The total addressable market opportunity for our product candidates will ultimately depend upon, among other things, their proven safety and efficacy, the diagnosis criteria included in the final label for each, whether our product candidates are approved for sale for these indications, acceptance by the medical community and patient access, product pricing and reimbursement. The number of patients for our product candidates in the United States and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our products, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

A pandemic, epidemic, or outbreak of an infectious disease, such as COVID-19 or its variants, may materially and adversely affect our business and our financial results and could cause a disruption to the development of our product candidate.

Public health crises such as pandemics or similar outbreaks could adversely impact our business. In December 2019, a novel strain of a virus named SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), or coronavirus, which causes COVID-19, surfaced in Wuhan, China and has since spread worldwide, including to Eastern Massachusetts where our primary office and laboratory space is located. The pandemic and policies and regulations implemented by governments in response to the pandemic, most of which have been lifted, have had a significant impact, both direct and indirect, on businesses and commerce. The coronavirus pandemic is evolving, and to date has led to the implementation of various responses, including government-imposed quarantines, travel restrictions and other public health safety measures. The extent to which the coronavirus impacts our operations or those of our third-party partners, including our preclinical studies or clinical trial operations, will also depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that will emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others. The continued spread of COVID-19 globally, including the ongoing identification of new variants of the virus, could adversely impact our preclinical or clinical trial operations in the U.S. and abroad, including our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19. For example, similar to other biopharmaceutical companies, we may experience additional delays in enrolling subjects in our clinical trials. COVID-19 may also affect employees of third-party CROs located in affected geographies that we rely upon to carry out our clinical trials. In addition, the patient populations that our lead and other core product candidates target may be particularly susceptible to COVID-19 or its variants, which may make it more difficult for us to identify patients able to enroll in our clinical trials and may impact the ability of enrolled patients to complete any such trials. Any negative impact that the ongoing COVID-19 pandemic has to patient enrollment or treatment, or the execution of our product candidates could cause costly delays to clinical trial activities, which could adversely affect our ability to obtain regulatory approval for and to commercialize our product candidates, increase our operating expenses, and have a material adverse effect on our financial results.

Additionally, timely enrollment in clinical trials is dependent upon clinical trial sites which will be adversely affected by global health matters, such as pandemics. We are conducting and plan to conduct clinical trials for our product candidates in geographies which are currently being affected by the coronavirus. Some factors from the coronavirus outbreak that will delay or otherwise adversely affect enrollment in the clinical trials of our product candidates, as well as our business generally, include:

- the potential diversion of healthcare resources away from the conduct of clinical trials to focus on pandemic concerns, including the attention of physicians serving as our clinical trial investigators, hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our prospective clinical trials;
- limitations on travel that could interrupt key trial and business activities, such as clinical trial site initiations and monitoring, domestic and international travel by employees, contractors or patients to clinical trial sites, including any government-imposed travel restrictions or quarantines that will impact the ability or willingness of patients, employees or contractors to travel to our clinical trial sites or secure visas or entry permissions, a loss of

face-to-face meetings and other interactions with potential partners, any of which could delay or adversely impact the conduct or progress of our clinical trials;

- the potential negative affect on the operations of our third-party manufacturers and the supply chain for our product candidates. For example, in February 2020, one of our vendors for active pharmaceutical ingredient, or API, starting materials based in Wuhan, China ceased its operations for several weeks due to the COVID-19 pandemic, which caused a minor delay in the delivery of API starting materials to a separate vendor who manufactures API;
- interruptions in global shipping affecting the transport of clinical trial materials, such as patient samples, investigational drug product and conditioning drugs and other supplies used in our current and prospective clinical trials; and
- business disruptions caused by potential workplace, laboratory and office closures and an increased reliance on employees working from home, disruptions to or delays in ongoing laboratory experiments and operations, staffing shortages, travel limitations or mass transit disruptions, any of which could adversely impact our business operations or delay necessary interactions with local regulators, ethics committees and other important agencies and contractors.

We cannot presently predict the scope and severity of additional planned and potential shutdowns or disruptions of businesses and government agencies, such as the SEC or FDA. For example, since March 2020, the FDA has been working to resume pre-pandemic levels of inspection activities, including routine surveillance, bioresearch monitoring and pre-approval inspections. Should the FDA determine that an inspection is necessary for approval of any NDAs we may submit and an inspection cannot be completed during the review cycle due to restrictions on travel at that time, and the FDA does not determine a remote interactive evaluation to be adequate, the agency has stated that it generally intends to issue, depending on the circumstances, a complete response letter or defer action on the application until an inspection can be completed. During the COVID-19 public health emergency, a number of companies have announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications. Regulatory authorities outside the U.S. may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic and may experience delays in their regulatory activities.

These and other factors arising from the coronavirus could worsen. Any of these factors, and other factors related to any such disruptions that are unforeseen, could have a material adverse effect on our business and our results of operations and financial condition. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the United States and other economies, which could impact our ability to raise the necessary capital needed to develop and commercialize our product candidates. Other global health concerns could also result in social, economic, and labor instability in the countries in which we or the third parties with whom we engage operate.

Our current or future product candidates may cause adverse or other undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

All of our product candidates are in preclinical or early clinical development, and there may be adverse effects from treatment with any of our current or future product candidates that we cannot predict at this time. Undesirable side effects caused by our current or future product candidates could cause us to interrupt, delay or halt preclinical studies or 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 or other regulatory authorities. As is the case with many treatments for inflammatory and autoimmune diseases, cancer or other diseases, it is likely that there may be adverse side effects associated with the use of our product candidates. Additionally, a potential risk in any protein degradation product is that healthy proteins or proteins not targeted for degradation will be degraded or that the degradation of the targeted protein in itself could cause adverse events, undesirable side effects, or unexpected characteristics. It is possible that healthy proteins or proteins not targeted for degradation could be degraded using our degrader molecules in any of our current or future clinical studies. There is also the potential risk of delayed adverse events following treatment using any of our current or future product candidates.

These side effects could arise due to off-target activity, allergic reactions in trial subjects, or unwanted on-target effects in the body. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our current or future product candidates for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Further, our current or future product candidates could cause undesirable side effects in clinical trials related to on-target toxicity. If on-target toxicity is observed, or if our current or future product candidates have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Many compounds that initially showed promise in early-stage testing for treating cancer or other diseases have later been found to cause side effects that prevented further development of the compound.

Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our current or future product candidates may only be uncovered with a significantly larger number of patients exposed to the product candidate. If our current or future product candidates receive marketing approval and we or others identify undesirable side effects caused by such current or future product candidates after such approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit their approval of such current or future product candidates;
- regulatory authorities may require the addition of labeling statements, such as a "boxed" warning or a contraindication;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way such current or future product candidates are distributed or administered, conduct additional clinical trials or change the labeling of the current or future product candidates;
- regulatory authorities may require a REMS plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools;
- we may be subject to regulatory investigations and government enforcement actions;
- we may decide to remove such current or future product candidates from the marketplace;
- we could be sued and held liable for injury caused to individuals exposed to or taking our current or future product candidates; and
- our reputation may suffer.

We believe that any of these events could prevent us from achieving or maintaining market acceptance of the affected product candidates and could substantially increase the costs of commercializing our current or future product candidates, if approved, and significantly impact our ability to successfully commercialize our current or future product candidates and generate revenues.

Manufacturing our current or future product candidates is complex and we may encounter difficulties in production. If we encounter such difficulties, our ability to provide supply of our current or future product candidates for preclinical studies and clinical trials or for commercial purposes could be delayed or stopped.

The process of manufacturing our current or future product candidates is complex and highly regulated. We do not have our own manufacturing facilities or personnel and currently rely, and expect to continue to rely, on third parties for the manufacture of our current or future product candidates. These third-party contract manufacturing organizations, or CMOs, may not be able to provide adequate resources or capacity to meet our needs and may incorporate their own proprietary processes into our product candidate manufacturing processes. We have limited control and oversight of a third party's proprietary process, and a third party may elect to modify its process without our consent or knowledge. These modifications, such as any impacting the product formulation, could negatively impact our manufacturing, including by resulting in product loss or failure that requires additional manufacturing runs or a change in manufacturer, either of which could significantly increase the cost of and significantly delay the manufacture of our current or future product candidates. Changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between our prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials.

If any CMO with whom we contract fails to perform its obligations, we may be forced to enter into an agreement with a different CMO, which we may not be able to do on reasonable terms, if at all. This could significantly delay our clinical trials supply as we establish alternative supply sources. In some cases, the technical skills required to manufacture our product candidates or products, if approved, may be unique or proprietary to the original CMO and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be

unable to transfer such skills at all. In addition, if we are required to change CMOs for any reason, we will be required to verify that the new CMO maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product candidate according to the specifications previously submitted to the FDA or another regulatory authority. The delays associated with the verification of a new CMO could negatively affect our ability to develop product candidates or commercialize our products in a timely manner or within budget. Furthermore, a CMO may possess technology related to the manufacture of our product candidate that such CMO owns independently. This would increase our reliance on such CMO or require us to obtain a license from such CMO in order to have another CMO manufacture our product candidates. In addition, as our current or future product candidates progress through preclinical studies and clinical trials towards potential approval and commercialization, it is expected that various aspects of the manufacturing process will be altered in an effort to optimize processes and results. Such changes may require amendments to be made to regulatory applications which may further delay the timeframes under which modified manufacturing processes can be used for any of our current or future product candidates and additional bridging studies or trials may be required. Any such delay could have a material adverse impact on our business, results of operations and prospects.

Risks Related to Regulatory Approval

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals for our current or future product candidates, we will not be able to commercialize, or will be delayed in commercializing, our current or future product candidates, and our ability to generate revenue will be materially impaired.

Our current or future product candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, distribution, import, and export, are subject to comprehensive regulation by the FDA and other regulatory agencies in the U.S. and by comparable authorities in other countries. Before we can commercialize any of our current and future product candidates, we must obtain marketing approval from the regulatory authorities in the relevant jurisdictions. We have not received approval to market any of our current product candidates from regulatory authorities in any jurisdiction, and it is possible that none of our current product candidates, nor any product candidates we may seek to develop in the future, will ever obtain regulatory approval. As a company, we have only limited experience in filing and supporting the applications necessary to gain regulatory approvals and expect to rely on third-party CROs and/or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing regulatory approval also requires the submission of information about the drug manufacturing process to, and inspection of manufacturing facilities and often clinical sites by, the relevant regulatory authority. Our current or future product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining regulatory approvals, both in the U.S. and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted NDA or equivalent application type outside the U.S., may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. Our current or future product candidates could be delayed in receiving, or 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 and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;

- the data collected from clinical trials of our current or future product candidates may not be sufficient to support the submission of an NDA or other submission or to obtain regulatory approval in the U.S. or elsewhere;
- the FDA or comparable foreign regulatory authorities may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Even if we were to obtain approval, regulatory authorities may approve any of our current or future product candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our drugs, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our current or future product candidates.

If we experience delays in obtaining approval or if we fail to obtain approval of our current or future product candidates, the commercial prospects for our current or future product candidates may be harmed and our ability to generate revenues will be materially impaired.

We may seek designation for our Pegasus™ discovery platform as a designated platform technology, but we might not receive such designation, and even if we do, such designation may not lead to faster drug development or a faster regulatory review or approval process.

We may seek designation for our Pegasus™ platform as a designated platform technology. Under the Food and Drug Omnibus Reform Act of 2022, or FDORA, a platform technology incorporated within or utilized by a drug product is eligible for designation as a designated platform technology if (1) the platform technology is incorporated in, or utilized by, a drug approved under an NDA; (2) preliminary evidence submitted by the sponsor of the approved or licensed drug, or a sponsor that has been granted a right of reference to data submitted in the application for such drug, demonstrates that the platform technology has the potential to be incorporated in, or utilized by, more than one drug without an adverse effect on quality, manufacturing, or safety; and (3) data or information submitted by the applicable person indicates that incorporation or utilization of the platform technology has a reasonable likelihood to bring significant efficiencies to the drug development or manufacturing process and to the review process. A sponsor may request the FDA to designate a platform technology as a designated platform technology concurrently with, or at any time after, submission of an IND application for a drug that incorporates or utilizes the platform technology that is the subject of the request. If so designated, the FDA may expedite the development and review of any subsequent original NDA for a drug that uses or incorporates the platform technology. Even if we believe our Pegasus™ platform meets the criteria for such designation, the FDA may disagree and instead determine not to grant such designation. In addition, the receipt of such designation for a platform technology does not ensure that a drug will be developed or reviewed more quickly or receive FDA approval. Moreover, the FDA may revoke a designation if the FDA determines that a designated platform technology no longer meets the criteria for such designation.

We may seek Breakthrough Therapy Designation and/or Fast Track Designation for any of our current or future product candidates. These designations, even if granted by the FDA, may not lead to a faster development, regulatory review or approval process, and such designations do not increase the likelihood that any of our product candidates will receive marketing approval in the United States.

We may seek a Breakthrough Therapy Designation for one or more of our current or future product candidates. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA may also be eligible for priority review and accelerated approval. Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our current or future product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for a current or future product candidate may not result in a faster development process, review or approval compared to therapies considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our current or future product

candidates qualify as breakthrough therapies, the FDA may later decide that such product candidates no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

We may seek Fast Track Designation for one or more of our current or future product candidates. If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug sponsor may apply for Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular current or future product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation for certain current or future product candidates, 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 our clinical development program. Fast Track Designation alone does not guarantee qualification for the FDA's priority review procedures.

We may seek approval of KT-474, KT-413, KT-333, KT-253 or any other future product candidate, where applicable, under the FDA's accelerated approval pathway. This pathway may not lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek accelerated approval of KT-474, KT-413, KT-333, KT-253 or future product candidates. A product may be eligible for accelerated approval if it treats a serious or life-threatening condition and generally provides a meaningful advantage over available therapies. In addition, it must demonstrate an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, or IMM, that is reasonably likely to predict an effect on IMM or other clinical benefit. As a condition of accelerated approval, the FDA likely would require that we perform adequate and well-controlled post-marketing clinical trials, and under FDORA the FDA is now permitted to require, as appropriate, that such trials be underway prior to approval or within a specific time period after the date of approval for a product granted accelerated approval. FDORA also gives the FDA increased authority to withdraw approval of a drug or biologic granted accelerated approval on an expedited basis if the sponsor fails to conduct such studies in a timely manner, send the necessary updates to the FDA, or if such post-approval studies fail to verify the drug's predicted clinical benefit. Under FDORA, the FDA is empowered to take action, such as issuing fines, against companies that fail to conduct with due diligence any post-approval confirmatory study or submit timely reports to the agency on their progress. In addition, the FDA currently requires, unless otherwise informed by the Agency, pre-approval of promotional materials for products receiving accelerated approval, which could adversely impact the timing of the commercial launch of the product. Thus, even if we seek to utilize the accelerated approval pathway, we may not be able to obtain accelerated approval and, even if we do, we may not experience a faster development, regulatory review or approval process for that product. In addition, receiving accelerated approval does not assure that the product's accelerated approval will eventually be converted to a traditional approval.

We have obtained orphan drug designation for one of our product candidates. We may also seek Orphan Drug Designation for certain of our other current or future product candidates, and we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity.

The FDA has granted Orphan Drug Designation for KT-333 for the treatment of peripheral T cell lymphoma and cutaneous T cell lymphoma. As part of our business strategy, we may also seek Orphan Drug Designation for certain indications of our other current or future product candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the U.S. and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the U.S., or a patient population greater than 200,000 in the U.S. where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the U.S. In the U.S., Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers.

Similarly, in Europe, the European Commission, upon the recommendation of the EMA's Committee for Orphan Medicinal Products, grants Orphan Drug Designation to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, Orphan Drug Designation entitles a party to financial incentives such as reduction of fees or fee waivers

Generally, if a product with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA or the EMA from approving another marketing application for the same drug for that time period. The applicable period is seven years in the U.S. and ten years in the European Union. The exclusivity period in the European Union can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan Drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

Even if we obtain Orphan Drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because competing drugs containing a different active ingredient can be approved for the same condition. In addition, even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

On August 3, 2017, the U.S. Congress passed the FDA Reauthorization Act of 2017, or FDARA. FDARA, among other things, codified the FDA's pre-existing regulatory interpretation to require that a drug sponsor demonstrate the clinical superiority of an orphan drug that is otherwise the same as a previously approved drug for the same rare disease in order to receive orphan drug exclusivity. The new legislation reverses prior precedent holding that the Orphan Drug Act unambiguously requires that the FDA recognize the orphan exclusivity period regardless of a showing of clinical superiority. Moreover, in the Consolidated Appropriations Act of 2021, Congress did not further change this interpretation when it clarified that the interpretation codified in FDARA would apply in cases where the FDA issued an orphan designation before the enactment of FDARA but where product approval came after the enactment of FDARA. The FDA may further reevaluate the Orphan Drug Act and its regulations and policies. We do not know if, when or how the FDA may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its Orphan Drug regulations and policies, our business could be adversely impacted.

Even if we receive regulatory approval for any of our current or future product candidates, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, our current or future 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 product candidates when and if any of them are approved.

If the FDA or a comparable foreign regulatory authority approves any of our current or future product candidates, the manufacturing processes, labeling, packaging, distribution, tracking and tracing, adverse event reporting, storage, advertising, promotion and recordkeeping for the drug will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration requirements, and continued compliance with cGMPs and Good Clinical Practices, or GCPs, for any clinical trials that we conduct post-approval. For certain commercial prescription drug products, manufacturers and other parties involved in the supply chain must also meet chain of distribution requirements and build electronic, interoperable systems for product tracking and tracing and for notifying the FDA of counterfeit, diverted, stolen and intentionally adulterated products or other products that are otherwise unfit for distribution in the United States. Any regulatory approvals that we receive for our current or future product candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the 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 drug. Additionally, under FDORA, sponsors of approved drugs and biologics must provide 6 months' notice to the FDA of any changes in marketing status, such as the withdrawal of a drug, and failure to do so could result in the FDA placing the product on a list of discontinued products, which would revoke the product's ability to be marketed. The FDA closely regulates the post-approval marketing and promotion of pharmaceutical and biological products to ensure such products are marketed only for the approved indications and in accordance with the provisions of the approved labeling. Later discovery of previously unknown problems with a drug, 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 marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary drug recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of drug license approvals;

- drug seizure or detention, or refusal to permit the import or export of drugs; 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 current or future product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

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

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

Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations

Risks Related to Foreign Regulatory Approval and Foreign Markets

Even if we receive marketing approval for our current or future product candidates in the U.S., we may never receive regulatory approval to market our current or future product candidates outside of the U.S.

We plan to seek regulatory approval of our current or future product candidates outside of the U.S. In order to market any product outside of the U.S., however, we must establish and comply with the numerous and varying safety, efficacy and other regulatory requirements of other countries. Approval procedures vary among countries and can involve additional product candidate testing and additional administrative review periods. The time required to obtain approvals in other countries might differ substantially from that required to obtain FDA approval. The marketing approval processes in other countries generally implicate all of the risks detailed above regarding FDA approval in the U.S. as well as other risks. In particular, in many countries outside of the U.S., products must receive pricing and reimbursement approval before the product can be commercialized. Obtaining this approval can result in substantial delays in bringing products to market in such countries. Marketing approval in one country does not ensure marketing approval in another, but a failure or delay in obtaining marketing approval in one country may have a negative effect on the regulatory process in others. Failure to obtain marketing approval in other countries or any delay or other setback in obtaining such approval would impair our ability to market our current or future product candidates in such foreign markets. Any such impairment would reduce the size of our potential market, which could have a material adverse impact on our business, results of operations and prospects.

Our future growth may depend, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties that could materially adversely affect our business.

We are not permitted to market or promote any of our current or future product candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market, and we may never receive such regulatory approval for any of our current or future product candidates. To obtain separate regulatory approval in many other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our current or future product candidates, and we cannot predict success in these jurisdictions. If we obtain approval of our current or future product candidates and ultimately commercialize our current or future product candidates in foreign markets, we would be subject to additional risks and uncertainties, including:

- differing regulatory requirements in foreign countries, such that obtaining regulatory approvals outside of the U.S. may take longer and be more costly than obtaining approval in the U.S.;
- our customers' ability to obtain reimbursement for our current or future product candidates in foreign markets;
- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced protection of intellectual property rights in some foreign countries;
- the existence of additional potentially relevant third-party intellectual property rights;
- 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 U.S.;
- potential liability under the Foreign Corrupt Practices Act of 1977 or comparable foreign regulations;
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute;
- 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.

Foreign sales of our current or future product candidates could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

We may in the future conduct clinical trials for current or future product candidates outside the U.S., and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We may in the future choose to conduct one or more clinical trials outside the U.S., including in Europe. The acceptance of study data from clinical trials conducted outside the U.S. or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the U.S., the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice, (ii) the trials were performed by clinical investigators of recognized competence and (iii) the data may be considered valid without the need for an on-site inspection by the FDA or, if the FDA considers such an inspection to be necessary, 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 sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U.S. or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in current or future product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

We are subject to certain U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations. We can face serious consequences for violations.

Among other matters, U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations, which we collectively refer to as Trade Laws, prohibit companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors, and other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations.

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

In some countries, particularly in the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain coverage and reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. In addition, many countries outside the U.S. have limited government support programs that provide for reimbursement of drugs such as our product candidates, with an emphasis on private payors for access to commercial products. If reimbursement of our product candidates is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

Risks Related to Compliance with Healthcare and Other Regulations

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

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. In the U.S. and in other countries, sales of any products for which we may receive regulatory marketing approval for commercial sale will depend, in part, on the availability of coverage and reimbursement from third-party payors. Third-party payors include government healthcare programs (e.g., Medicare and Medicaid), managed care providers, private health insurers, health maintenance organizations and other organizations. These third-party payors decide which medications they will pay for and establish reimbursement levels. The availability of coverage and extent of reimbursement by governmental and other third-party payors is essential for most patients to be able to afford treatments such as targeted protein degradation therapies.

In the United States and markets in other countries, patients generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance. Our ability to successfully commercialize our product candidates will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels.

There is also significant uncertainty related to the insurance coverage and reimbursement of newly approved products and coverage may be more limited than the purposes for which the medicine is approved by the FDA or comparable foreign regulatory authorities. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, or HHS. CMS decides whether and to what extent our products will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. Factors payors consider in determining reimbursement are based on whether the product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;

- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Our ability to commercialize any current or future product candidates successfully also will depend in part on the extent to which coverage and reimbursement for these current or future product candidates and related treatments will be available from government authorities, private health insurers and other organizations. Moreover, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. We cannot be sure that coverage will be available for any product candidate that we commercialize. If coverage is available, but reimbursement is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

In the U.S., no uniform policy exists for coverage and reimbursement for products among third-party payors. Therefore, decisions regarding the extent of coverage and amount of reimbursement to be provided can differ significantly from payor to payor. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the reimbursement rate a payor will pay for the product. One third-party payor's decision to cover a particular product or service does not ensure that other payors will also provide coverage for the medical product or service. Third-party payors may limit coverage to specific products on an approved list or formulary, which may not include all FDA-approved products for a particular indication. Also, third-party payors may refuse to include a particular branded product on their formularies or otherwise restrict patient access to a branded drug when a less costly generic equivalent or other alternative is available.

Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any product candidate that we commercialize and, if reimbursement is available, the level of reimbursement. In addition to their safety and efficacy. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price, or ASP, and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs. In order to secure coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain FDA or comparable regulatory approvals. Additionally, we may also need to provide discounts to purchasers, private health plans or government healthcare programs. Despite our best efforts, our product candidates may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover an approved product as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products at a profit. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, our operations and financial condition.

Finally, in some foreign countries, the proposed pricing for a product candidate must be approved before it may be lawfully marketed. The requirements governing product pricing vary widely from country to country. For example, in the EU pricing and reimbursement of pharmaceutical products are regulated at a national level under the individual EU Member States' social security systems. Some foreign countries provide options to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and can control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. A country may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Even if approved for reimbursement, historically, product candidates launched in some foreign countries, such as some countries in the EU, do not follow price structures of the U.S. and prices generally tend to be significantly lower.

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

Changes in regulations, statutes or the interpretation of existing regulations could impact our business by requiring, for example: (i) changes to our manufacturing arrangements, (ii) additions or modifications to product labeling, (iii) the recall or discontinuation of our products or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

In the United States and in some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes intended to broaden access to healthcare, improve the quality of healthcare, and contain or lower the cost of healthcare. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or the ACA, was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, subjects biological products to potential competition by lower-cost biosimilars, expands the types of entities eligible for the 340B drug discount program, addresses a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increases rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, establishes annual fees and taxes on manufacturers of certain branded prescription drugs, and creates a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, or BBA, effective as of January 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; and provided incentives to programs that increase the federal government's comparative effectiveness research.

Since its enactment, there have been judicial, administrative, executive and Congressional legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how other healthcare reform measures of the Biden administration or other efforts, if any, to challenge, repeal or replace the ACA will impact our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example:

- In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. Specifically, the Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013, and, due to subsequent legislative amendments, will remain in effect through 2030 unless additional Congressional action is taken. However, pursuant to the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, and subsequent legislation, the 2% Medicare sequester reductions were suspended from May 1, 2020 through March 31, 2022, due to the COVID-19 pandemic. Following the temporary suspension, a 1% payment reduction occurred from April 1, 2022 through June 30, 2022, and the 2% payment reduction resumed on July 1, 2022.
- On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. The BBA also amended the ACA, effective January 1, 2019, by increasing the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and closing the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole."
- On April 13, 2017, CMS published a final rule that gives states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the ACA for plans sold through such marketplaces.

- On May 30, 2018, the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 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 pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.
- In August 2022, the Inflation Reduction Act of 2022, or IRA, was signed into law. The IRA includes several provisions that may impact our business to varying degrees, including provisions that establish a $2,000 out-of-pocket cap for Medicare Part D beneficiaries, impose new manufacturer financial liability on many drugs reimbursed under Medicare Part D, allow the U.S. government to negotiate Medicare Part B and Part D pricing for certain high-cost drugs and biologics without generic or biosimilar competition, and require companies to pay rebates to Medicare for drug prices that increase faster than inflation.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. Recently, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. Such scrutiny has resulted in several recent U.S. Congressional inquiries and has further resulted in proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. For example, at the federal level, the prior administration's budget for fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On March 10, 2020, the prior administration sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the prior administration previously released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of product candidates paid by consumers. However, it is unclear whether the Biden administration will challenge, reverse, revoke or otherwise modify these executive and administrative actions. HHS has solicited feedback on some of these measures and, at the same time, is immediately implementing others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. It is unclear how these developments could affect covered hospitals who might purchase our future products and affect the rates we may charge such facilities for our approved products in the future, if any. On December 20, 2019, former President Trump signed into law the Further Consolidated Appropriations Act (H.R. 1865), which repealed the Cadillac tax, the health insurance provider tax, and the medical device excise tax. It is impossible to determine whether similar taxes could be instated in the future.

Additionally, there has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. Specifically, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, and review the relationship between pricing and manufacturer patient programs. On December 2, 2020, HHS published a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. Pursuant to court order, the removal and addition of the aforementioned safe harbors were delayed and recent legislation imposed a moratorium on implementation of the rule until January 1, 2026. This deadline was pushed back to January 1, 2027 by the Bipartisan Safer Communities Act. The IRA further delayed implementation of this rule to January 1, 2032. Although a number of these and other proposed measures may require authorization through additional legislation to become effective, and the Biden administration may reverse or otherwise change these measures, both the Biden administration and Congress have indicated that they will continue to seek new legislative measures to control drug costs.

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. Legally mandated price controls on payment

amounts by third-party payors or other restrictions could harm our business, financial condition, results of operations and prospects. In addition, regional health care authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing, which could negatively affect our business, financial condition, results of operations and prospects.

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 or future product candidates or additional pricing pressures. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

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

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any current or future product candidates for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors and customers may expose us to broadly applicable federal and state laws relating to fraud and abuse, as well as other healthcare laws and regulations. Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business that may constrain the financial arrangements and relationships through which we research, as well as sell, market and distribute any products for which we obtain marketing authorization. Such laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, and transparency laws and regulations related to drug pricing and payments and other transfers of value made to physicians and other healthcare providers. If our operations are found to be in violation of any of such laws or any other governmental regulations that apply, we may be subject to penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, exclusion from participation in federal and state healthcare programs and responsible individuals may be subject to imprisonment. These laws may impact, among other things, the business or financial arrangements and relationships through which we market, sell and distribute any current or future product candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include, among others:

- the federal Anti-Kickback Statute, which prohibits, among other things, any person or entity from knowingly and willfully soliciting, offering, receiving, providing or paying remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, or arranging for, any item, good, facility, or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations can result in significant civil monetary and criminal penalties for each violation, plus up to three times the amount of remuneration, imprisonment, and exclusion from government healthcare programs. Further, a violation of the federal Anti-Kickback Statute can also form the basis for False Claims Act liability or federal civil monetary penalties;
- the federal civil and criminal false claims laws and civil monetary penalty laws, including the federal False Claims Act, which prohibits individuals or entities from 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. Actions under the False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual acting as a "whistle blower" in the name of the government permitting the whistleblower to share in any monetary recovery. Violations of the False Claims Act can result in very significant monetary penalties for each false claim and three times the amount of the government’s damages. Manufacturers can be held liable under the 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. In addition, the government may assert that 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;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes additional criminal and civil liability for knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private), and 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;
- the federal physician payment transparency laws, including the federal Physician Payment Sunshine Act created under the ACA, which requires manufacturers of certain drugs, devices, biologics and medical supplies, among others, to track and disclose payments under Medicare, Medicaid, or the Children's Health Insurance Program (with certain exceptions) and other transfers of value they make to U.S. physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Effective January 1, 2022, these reporting obligations extend to include transfers of value made to certain non-physician providers (physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists and anesthesiologist assistants, and certified-nurse midwives). This information is subsequently made publicly available in a searchable format on a CMS website. Failure to disclose required information may result in civil monetary penalties for all payments, transfers of value or ownership or investment interests that are not timely, accurately and completely reported in an annual submission;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and its implementing regulations, including the final omnibus rule published on January 25, 2013, which imposes, among other things, certain requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to "business associates," defined as independent contractors or agents of covered entities that create, receive, maintain, transmit, or obtain, protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions. In addition, there may be additional federal, state and non-U.S. laws which govern the privacy and security of health and other personal information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts;
- federal government price reporting laws, which require us to calculate and report complex pricing metrics in an accurate and timely manner to government programs;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- analogous state law equivalents of each of the above U.S. federal laws, such as state anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers or patients; state and local marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements; state laws that require the reporting of information related to drug pricing; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; state and local laws that require the licensure and/or registration of pharmaceutical sales representatives; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. In addition, some states have passed laws that require pharmaceutical companies to comply with the April 2003 Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers and/or the Pharmaceutical Research and Manufacturers of America's Code on Interactions with Healthcare Professionals.

In addition to the above, on November 20, 2020, the Office of Inspector General, or OIG, finalized further modifications to the federal Anti-Kickback Statute. Under the final rules, OIG added safe harbor protections under the Anti-Kickback Statute for certain coordinated care and value-based arrangements among clinicians, providers, and others. The final rule (with some exceptions) became effective January 19, 2021. We continue to evaluate what effect, if any, these rules will have on our business.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws. Further, defending against any such actions can be costly and 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 any of the physicians or other providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment. If any of the above occur, our ability to operate our business and our results of operations could be adversely affected. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to similar actions, penalties, and sanctions.

The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the EU. The provision of benefits or advantages to physicians is governed by the national anti-bribery laws of EU Member States, such as the U.K. Bribery Act 2010. Infringement of these laws could result in substantial fines and imprisonment. Payments made to physicians in certain EU Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual EU Member States. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in the EU Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

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

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. Current or future environmental laws and regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

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

We are exposed to the risk that our employees, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and other regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the U.S. and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing, patient support and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Other activities subject to these laws include the improper use of information obtained in the course of clinical trials or creating fraudulent data in our preclinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective 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 comply with these laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment, reputational harm, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, 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 the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

The risk of our being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements.

Risks Related to Commercialization

Even if we receive marketing approval for our current or future product candidates, our current or future product candidates may not achieve broad market acceptance, which would limit the revenue that we generate from their sales.

The commercial success of our current or future product candidates, if approved by the FDA or other applicable regulatory authorities, will depend upon the awareness and acceptance of our current or future product candidates among the medical community, including physicians, patients and healthcare payors. Market acceptance of our current or future product candidates, if approved, will depend on a number of factors, including, among others:

- the efficacy of our current or future product candidates as demonstrated in clinical trials, and, if required by any applicable regulatory authority in connection with the approval for the applicable indications, to provide patients with incremental health benefits, as compared with other available medicines;

- limitations or warnings contained in the labeling approved for our current or future product candidates by the FDA or other applicable regulatory authorities;
- the clinical indications for which our current or future product candidates are approved;
- availability of alternative treatments already approved or expected to be commercially launched in the near future;
- the potential and perceived advantages of our current or future product candidates over current treatment options or alternative treatments, including future alternative treatments;
- the willingness of the target patient population to try new therapies or treatment methods and of physicians to prescribe these therapies or methods;
- the need to dose such product candidates in combination with other therapeutic agents, and related costs;
- the strength of marketing and distribution support and timing of market introduction of competitive products;
- publicity concerning our products or competing products and treatments;
- pricing and cost effectiveness;
- the effectiveness of our sales and marketing strategies;
- our ability to increase awareness of our current or future product candidates;
- our ability to obtain sufficient third-party coverage or reimbursement; or
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage.

If our current or future product candidates are approved but do not achieve an adequate level of acceptance by patients, physicians and payors, we may not generate sufficient revenue from our current or future product candidates to become or remain profitable. Before granting reimbursement approval, healthcare payors may require us to demonstrate that our current or future product candidates, in addition to treating these target indications, also provide incremental health benefits to patients. Our efforts to educate the medical community, patient organizations and third-party payors about the benefits of our current or future product candidates may require significant resources and may never be successful.

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

The development and commercialization of new drugs is highly competitive. We face and will continue to face competition from third parties that use protein degradation, antibody therapy, inhibitory nucleic acid, gene editing or gene therapy development platforms and from companies focused on more traditional therapeutic modalities, such as small molecule inhibitors. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization of new drugs.

Competitors in our efforts to develop small molecule protein degraders therapies for patients, include, but are not limited to, Arvinas, Inc., C4 Therapeutics, Inc., Foghorn Therapeutics Inc. and Nurix Therapeutics, Inc., some of which have entered clinical development. Further, several large pharmaceutical companies have disclosed preclinical and clinical investments in this field. Our competitors will also include companies that are or will be developing other targeted protein degradation methods as well as small molecule, antibody, or gene therapies for the same indications that we are targeting. In addition to the competitors we face in developing small molecule protein degraders, we will also face competition in the indications we expect to pursue with our IRAK4, IRAKIMiD, STAT3 and MDM2 programs. Many of these indications already have approved standards of care which may include more traditional therapeutic modalities. In order to compete effectively with these existing therapies, we will need to demonstrate that our protein degrader therapies are favorable to existing therapeutics.

Many of our current or future competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and reimbursement and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific, sales, marketing and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

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

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any current or future product candidates that we may develop.

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

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

We do not yet maintain product liability insurance, and we anticipate that we will need to increase our insurance coverage when we begin clinical trials and if we successfully commercialize any product candidate. Insurance coverage is increasingly expensive. We may not be able to maintain product liability insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

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

We do not currently have a sales or marketing infrastructure and have no experience in the sales, marketing, patient support or distribution of drugs. To achieve commercial success for any approved product candidate for which we retain sales and marketing responsibilities, we must build our sales, marketing, patient support, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. In the future, we may choose to build a focused sales and marketing infrastructure to sell, or participate in sales activities with our collaborators for, some of our current or future product candidates if and when they are approved.

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

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

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future drugs;
- the lack of complementary drugs to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and

- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we enter into arrangements with third parties to perform sales, marketing, patient support and distribution services, our drug revenues or the profitability of these drug revenues to us are likely to be lower than if we were to market and sell any current or future product candidates that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our current or future product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our current or future product candidates effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our current or future product candidates. Further, our business, results of operations, financial condition and prospects will be materially adversely affected.

Risks Related to Our Dependence on Third Parties

We rely, and expect to continue to rely, on third parties to conduct preclinical studies and clinical trials for our current and future product candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize our current and potential future product candidates and our business could be substantially harmed.

We utilize and depend upon independent investigators and collaborators, such as medical institutions, CROs, contract manufacturing organizations and strategic partners to help conduct our preclinical studies. We do not have the ability to independently conduct clinical trials. We rely on medical institutions, clinical investigators, contract laboratories, and other third parties, including collaboration partners, to conduct or otherwise support clinical trials for our current product candidates, and we expect to rely on such third parties for our future product candidates. We rely heavily on these parties for execution of clinical trials for our product candidates and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our preclinical studies or clinical trials, we could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and any third parties that we contract with are required to comply with regulations and requirements, including GCP, for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GCP requirements through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or the third parties we contract with fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that any of our clinical trials will comply with GCP. In addition, our clinical trials must be conducted with current or future product candidates produced under cGMP regulations. Our failure or the failure of third parties that we may contract with to comply with these regulations may require us to repeat some aspects of a specific, or an entire, clinical trial, which would delay the marketing approval process and could also subject us to enforcement action. We also are required to register certain ongoing clinical trials and provide certain information, including information relating to the trial's protocol, on a government-sponsored database, ClinicalTrials.gov, within specific timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we designed the Phase 1 trials of KT-474, KT-413, KT-333 and KT 253, and intend to design other clinical trials for our current or future product candidates, or be involved in the design when other parties sponsor the trials, we anticipate that third parties will conduct all of our clinical trials. As a result, many important aspects of our clinical development, including their conduct, timing and response to the ongoing COVID-19 pandemic, will be outside of our direct control. Our reliance on third parties to conduct clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;

- experience regulatory compliance issues; and
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical trials and may subject us to unexpected cost increases that are beyond our control. If our CROs do not perform clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, marketing approval and commercialization of our current or future product candidates may be delayed, we may not be able to obtain marketing approval and commercialize our current or future product candidates, or our development programs may be materially and irreversibly harmed. If we are unable to rely on clinical data collected by our CROs, we could be required to repeat, extend the duration of, or increase the size of clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. If our CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain are compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain marketing approval for or successfully commercialize our current or future product candidates. As a result, we believe that our financial results and the commercial prospects for our current or future product candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

The third parties upon whom we rely for the supply of the API, drug product, and starting materials used in our product candidates are limited in number, and the loss of any of these suppliers could significantly harm our business.

The drug substance and drug product in our product candidates are supplied to us from a small number of suppliers, and in some cases sole source suppliers. Our ability to successfully develop our current or future product candidates, and to ultimately supply our commercial drugs in quantities sufficient to meet the market demand, depends in part on our ability to obtain the drug product and drug substance for these drugs in accordance with regulatory requirements and in sufficient quantities for commercialization and clinical testing. We do not currently have arrangements in place for a redundant or second-source supply of all drug product or drug substance in the event any of our current suppliers of such drug product and drug substance cease their operations for any reason. Any delays in the delivery of our drug substance, drug product or starting materials could have an adverse effect and potentially harm our business. For example, in February 2020, one of our vendors for API starting materials based in Wuhan, China ceased its operations for several weeks due to the COVID-19 pandemic, which caused a minor delay in the delivery of API starting materials to a separate vendor who manufactures API.

For all of our current or future product candidates, we intend to identify and qualify additional manufacturers to provide such API, drug product and drug substance prior to submission of an NDA to the FDA and/or an MAA to the EMA. We are not certain, however, that our single-source and dual source suppliers will be able to meet our demand for their products, either because of the nature of our agreements with those suppliers, our limited experience with those suppliers or our relative importance as a customer to those suppliers. It may be difficult for us to assess their ability to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers.

Establishing additional or replacement suppliers for the drug product and drug substance used in our current or future product candidates, if required, may not be accomplished quickly. If we are able to find a replacement supplier, such replacement supplier would need to be qualified and may require additional regulatory approval, which could result in further delay. While we seek to maintain adequate inventory of the drug product and drug substance used in our current or future product candidates, any interruption or delay in the supply of components or materials, or our inability to obtain such API, drug product and drug substance from alternate sources at acceptable prices in a timely manner, could impede, delay, limit or prevent our development efforts, which could harm our business, results of operations, financial condition and prospects.

Our success is dependent on our executive management team's ability to successfully pursue business development, strategic partnerships and investment opportunities as our company matures. We may also form or seek strategic alliances or acquisitions or enter into additional collaboration and licensing arrangements in the future, and we may not realize the benefits of such collaborations, alliances, acquisitions or licensing arrangements.

We have entered into collaboration and licensing arrangements with Vertex and Sanofi and may in the future form or seek strategic alliances or acquisitions, create joint ventures, or enter into additional collaboration and licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our current product candidates and any future product candidates that we may develop. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders or disrupt our management and business.

In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or acquisition or other alternative arrangements for our current or future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our current or future product candidates as having the requisite potential to demonstrate safety, potency, purity and efficacy and obtain marketing approval.

Further, collaborations involving our technologies or current or future product candidates are subject to numerous risks, which may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators may not pursue development and commercialization of our current or future product candidates or may elect not to continue or renew development or commercialization of our current or future product candidates based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of 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, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our current or future product candidates;
- a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution;
- 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;
- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our current or future product candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable current or future product candidates. For example, the collaboration agreement with Vertex may be terminated by Vertex either in its entirety or on a target-by-target basis, upon one hundred eighty days' prior written notice to us, upon our material breach, subject to specified notice and cure provisions, or upon our bankruptcy, insolvency, dissolution or winding up;
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property; and
- collaborators may not pay milestones and royalties due to the company in a timely manner.

As a result, we may not be able to realize the benefit of our existing collaboration and licensing arrangements or any future strategic partnerships or acquisitions, collaborations or license arrangements we may enter into if we are unable to successfully integrate them with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction, license, collaboration or other business development partnership, we will achieve the revenue or specific net income that justifies such transaction. Any delays in entering into new collaborations or strategic partnership agreements related to our current or future product candidates could delay the development and commercialization of our current or future product candidates in certain geographies or for certain indications, which would harm our business prospects, financial condition and results of operations.

Our manufacturing process needs to comply with FDA regulations relating to the quality and reliability of such processes. Any failure to comply with relevant regulations could result in delays in or termination of our preclinical and clinical programs and suspension or withdrawal of any regulatory approvals.

In order to commercially produce our products either at our own facility or at a third party's facility, we will need to comply with the FDA's cGMP regulations and guidelines. We may encounter difficulties in achieving quality control and quality assurance and may experience shortages in qualified personnel. We are subject to inspections by the FDA and comparable foreign regulatory authorities to confirm compliance with applicable regulatory requirements. Any failure to follow cGMP or other regulatory requirements or delay, interruption or other issues that arise in the manufacture, fill-finish, packaging, or storage of our product candidates as a result of a failure of our facilities or the facilities or operations of third parties to comply with regulatory requirements or pass any regulatory authority inspection could significantly impair our ability to develop and commercialize our current or future product candidates, including leading to significant delays in the availability of our product candidates for our clinical trials or the termination of or suspension of a clinical trial, or the delay or prevention of a filing or approval of marketing applications for our current or future product candidates. Significant non-compliance could also result in the imposition of sanctions, including warning or untitled letters, fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approvals for our current or future product candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could damage our reputation and our business.

If our third-party manufacturers use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.

Our research and development activities involve the controlled use of potentially hazardous substances, including chemical materials, by our third-party manufacturers. Our manufacturers are subject to federal, state and local laws and regulations in the U.S. governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

Risks Related to Intellectual Property

If we are unable to obtain and maintain patent and other intellectual property protection for our technology and product candidates or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be impaired, and we may not be able to compete effectively in our market.

Our commercial success depends in part on our ability to obtain and maintain patent or other intellectual property protection in the U.S. and other countries for our current or future product candidates and our core technologies, including our proprietary Pegasus™ platform, our initial IRAK4, IRAKIMiD, STAT3 and MDM2 programs, which are our four most advanced development programs, as well as our proprietary compound library and other know-how. We seek to protect our proprietary and intellectual property position by, among other methods, filing patent applications in the U.S. and abroad related to our proprietary technology, inventions and improvements that are important to the development and implementation of our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position.

We own patent applications and one patent related to our platform E3 ligase ligand technology and our novel bifunctional degrader compounds, including claims to compositions of matter, pharmaceutical compositions, methods of use, methods of treatment, and other related methods.

As of January 20, 2023, our patent portfolio covering novel compounds, and the methods of making and using thereof, included 77 patent families. Patent term adjustments, supplementary protection certificate filings, or patent term extensions could result in later expiration dates in various countries, while terminal disclaimers could result in earlier expiration dates in the U.S.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation.

The degree of patent protection we require to successfully commercialize our current or future product candidates may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our pending patent applications that mature into issued patents will include claims with a scope sufficient to protect our Pegasus™ platform and our current or future product candidates. In addition, if the breadth or strength of protection provided by our patent applications or any patents we may own or in-license is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the U.S. For example, in jurisdictions outside the U.S., a license may not be enforceable unless all the owners of the intellectual property agree or consent to the license. Accordingly, any actual or purported co-owner of our patent rights could seek monetary or equitable relief requiring us to pay it compensation for, or refrain from, exploiting these patents due to such co-ownership. Furthermore, patents have a limited lifespan. In the U.S., and most other jurisdictions in which we have undertaken patent filings, the natural expiration of a patent is generally twenty years after it is filed, assuming all maintenance fees are paid. Various extensions may be available, on a jurisdiction-by-jurisdiction basis; however, the life of a patent, and thus the protection it affords, is limited. Given 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, patents we may own or in-license may not provide us with adequate and continuing patent protection sufficient to exclude others from commercializing drugs similar or identical to our current or future product candidates, including generic versions of such drugs. Other parties have developed technologies that may be related or competitive to our own, and such parties may have filed or may file patent applications, or may have received or may receive patents, claiming inventions that may overlap or conflict with those claimed in our own patent applications or issued patents, with respect to either the same compounds, methods, formulations or other subject matter, in either case that we may rely upon to dominate our patent position in the market. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until at least 18 months after the earliest priority date of the patent filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in patents we may own or in-license patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights cannot be predicted with any certainty.

In addition, the patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Further, with respect to certain pending patent applications covering our current or future product candidates or technologies, prosecution has yet to commence. Patent prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the relevant patent office(s) may be significantly narrowed by the time they issue, if they ever do. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we 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 or to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Even if we acquire patent protection that we expect should enable us to establish and/or maintain a competitive advantage, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the U.S. and abroad. We may become involved in opposition, derivation, reexamination, inter partes review, or post-grant review proceedings challenging our patent rights or the patent rights of others from whom we may in the future obtain licenses to such rights, in the U.S. Patent and Trademark Office, or USPTO, the European Patent Office, or EPO, or in other countries. In addition, we may be subject to

third-party submissions to the USPTO, the EPO, or elsewhere, that may reduce the scope or preclude the granting of claims from our pending patent applications. Competitors may challenge our issued patents or may file patent applications before we do. Competitors may also claim that we are infringing their patents and that we therefore cannot practice our technology as claimed under our patents or patent applications. Competitors may also contest our patents by showing an administrative patent authority or judge that the invention was not patent-eligible, was not novel, was obvious, and/or lacked inventive step, and/or that the patent application failed to meet relevant requirements relating to description, basis, enablement, and/or support; in litigation, a competitor could assert that our patents are not valid or are unenforceable for a number of reasons. If a court or administrative patent authority agrees, we would lose our protection of those challenged patents.

An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and drugs, without payment to us, or could limit the duration of the patent protection covering our technology and current or future product candidates. Such challenges may also result in our inability to manufacture or commercialize our current or future product candidates without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

In addition, we may in the future be subject to claims by our former employees or consultants asserting an ownership right in our patents or patent applications, as a result of the work they performed on our behalf. Although we generally require all of our employees, consultants and advisors and any other third parties who have access to our proprietary know-how, information or technology to assign or grant similar rights to their inventions to us, we cannot be certain that we have executed such agreements with all parties who may have contributed to our intellectual property, nor can we be certain that our agreements with such parties will be upheld in the face of a potential challenge, or that they will not be breached, for which we may not have an adequate remedy.

Even if they are unchallenged, our issued patents and our pending patent applications, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent patents we may own or in-license by developing similar or alternative technologies or drugs in a non-infringing manner. For example, a third party may develop a competitive drug that provides benefits similar to one or more of our current or future product candidates but that has a different composition that falls outside the scope of our patent protection. If the patent protection provided by the patents and patent applications we hold or pursue with respect to our current or future product candidates is not sufficiently broad to impede such competition, our ability to successfully commercialize our current or future product candidates could be negatively affected, which would harm our business. Furthermore, even if we are able to issue patents with claims of valuable scope in one or more jurisdictions, we may not be able to secure such claims in all relevant jurisdictions, or in a sufficient number to meaningfully reduce competition. Our competitors may be able to develop and commercialize their products, including products identical to ours, in any jurisdiction in which we are unable to obtain, maintain, or enforce such patent claims.

We will not obtain patent or other intellectual property protection for all current or future product candidates in all jurisdictions throughout the world, and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

We may not be able to pursue patent coverage of our current or future product candidates, the Pegasus™ platform, or other technologies in all countries. Filing, prosecuting and defending patents on current or future product candidates, the Pegasus™ platform, and other technologies in all countries throughout the world would be prohibitively expensive, and intellectual property rights in some countries outside the U.S. can be less extensive than those in the U.S. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the U.S. Consequently, we may not be able to prevent third parties from infringing on our inventions in all countries outside the U.S., or from selling or importing products made using our inventions in and into the U.S. or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where enforcement is not as strong as that in the U.S. These products may compete with our current or future product candidates and in jurisdictions where we do not have any issued patents our patent applications or other intellectual property rights may not be effective or sufficient to prevent them from competing. Much of our patent portfolio is at the very early stage. We will need to decide whether and in which jurisdictions to pursue protection for the various inventions in our portfolio prior to applicable deadlines. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to pharmaceutical products, which

could make it difficult for us to stop the infringement of any patents we may own or in-license or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce any rights we may have in our patent applications or any patents we may own or in-license in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put any patents we may own or in-license at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

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

We may not obtain or grant licenses or sublicenses to intellectual property rights in all markets on equally or sufficiently favorable terms with third parties.

It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products, in which case we would be required to obtain a license from these third parties. The licensing of third-party intellectual property rights is a competitive area, and more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. More established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to license such technology, or if we are forced to license such technology on unfavorable terms, our business could be materially harmed. If we are unable to obtain a necessary license, we may be unable to develop or commercialize the affected current or future product candidates, which could materially harm our business, and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties or other forms of compensation. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

We are dependent on patents, know-how and proprietary technology, both our own and in-licensed from Vertex, Sanofi and other collaborators. Our commercial success depends upon our ability to develop, manufacture, market and sell our current or future product candidates and use our and our licensors' proprietary technologies without infringing the proprietary rights of third parties. Vertex, Sanofi and other collaborators may have the right to terminate their respective license agreements in full in the event that we materially breach or default in the performance of any of the obligations under such license agreements. Any termination of these licenses, or if the underlying patents fail to provide the intended exclusivity, could result in the loss of significant rights and could harm our ability to commercialize our current or future product candidates, the Pegasus™ platform, or other technologies, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products identical to ours, and we may be required to cease our development and commercialization of certain of our current or future product candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Disputes may also arise between us and our current or future licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe, misappropriate or otherwise violate intellectual property rights of the licensor that are not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships;

- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our current or future product candidates, and what activities satisfy those diligence obligations;
- the priority of invention of any patented technology; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our current or future licensors and us and our partners.

In addition, the agreements under which we may license intellectual property or technology from third parties are likely to be complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we may license prevent or impair our ability to maintain current or future licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected current or future product candidates or technologies, which could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Intellectual property rights do not guarantee commercial success of current or future product candidates or other business activities. Numerous factors may limit any potential competitive advantage provided by our intellectual property rights.

The degree of future protection afforded by our intellectual property rights, whether owned or in-licensed, is uncertain because intellectual property rights have limitations, and may not adequately protect our business, provide a barrier to entry against our competitors or potential competitors, or permit us to maintain our competitive advantage. Moreover, if a third party has intellectual property rights that cover the practice of our technology, we may not be able to fully exercise or extract value from our intellectual property rights. The following examples are illustrative:

- patent applications that we own or may in-license may not lead to issued patents;
- patents, should they issue, that we may own or in-license, may not provide us with any competitive advantages, may be narrowed in scope, or may be challenged and held invalid or unenforceable;
- others may be able to develop and/or practice technology, including compounds that are similar to the chemical compositions of our current or future product candidates, that is similar to our technology or aspects of our technology but that is not covered by the claims of any patents we may own or in-license, should any patents issue;
- third parties may compete with us in jurisdictions where we do not pursue and obtain patent protection;
- we, or our future licensors or collaborators, might not have been the first to make the inventions covered by a patent application that we own or may in-license;
- we, or our future licensors or collaborators, might not have been the first to file patent applications covering a particular invention;
- others may independently develop similar or alternative technologies without infringing, misappropriating or otherwise violating our intellectual property rights;
- our competitors might conduct research and development activities in the U.S. and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights, and may then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not be able to obtain and/or maintain necessary licenses on reasonable terms or at all;

- third parties may assert an ownership interest in our intellectual property and, if successful, such disputes may preclude us from exercising exclusive rights, or any rights at all, over that intellectual property;
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such trade secrets or know-how;
- we may not be able to maintain the confidentiality of our trade secrets or other proprietary information;
- we may not develop or in-license additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

Should any of these events occur, they could significantly harm our business, financial condition, results of operations and prospects.

Risks Related to Patent Protection

Obtaining and maintaining our patent protection, including patent term, depends on compliance with various procedural, document submission, deadlines, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated if we miss a filing deadline for patent protection on these inventions or otherwise fail to comply with these requirements.

The USPTO and foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and after issuance of any patent. In addition, periodic maintenance fees, renewal fees, annuity fees and/or various other government fees are required to be paid periodically. While an inadvertent lapse can in some cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter the market with similar or identical products or platforms, which could have a material adverse effect on our business prospects and financial condition.

Depending upon the timing, duration and specifics of FDA marketing approval of our current or future product candidates, one or more of the U.S. patents we own or license may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as 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. Different laws govern the extension of patents on approved pharmaceutical products in Europe and other jurisdictions. However, we may not be granted a patent extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. For example, we may not be granted an extension in the U.S. if all of our patents covering an approved product expire more than fourteen years from the date of NDA approval for a product covered by those patents. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or restoration or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our ability to generate revenues could be materially adversely affected.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our current or future 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 involve both technological and legal complexity and are therefore costly, time consuming and inherently uncertain.

The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Additionally, there have been recent proposals for additional changes to the patent laws of the U.S. and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technology or our ability to enforce our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

Risks Related to our Trademarks, Trade Names and Trade Secrets

If our trademarks and trade names for our products or company name are not adequately protected in one or more countries where we intend to market our products, we may delay the launch of product brand names, use different or less effective trademarks or tradenames in different countries, or face other potentially adverse consequences to building our product brand recognition.

Our trademarks or trade name may be challenged, infringed, diluted, circumvented, declared generic, or determined to be infringing on other marks. In such a circumstance, we may not be able to protect our rights to these marks or may be forced to stop using product names, which we need for name recognition by potential partners and customers in our markets of interest.

In addition, during the trademark registration process, we may receive Office Actions from the USPTO or from comparable agencies in foreign jurisdictions refusing registration of our trademarks. For example, in April 2021, the USPTO issued preliminary office action refusals against our applications to register E3 LIGASE WHOLE BODY ATLAS and E3 HUMAN ATLAS. While E3 HUMAN ATLAS has now been approved for publication, we do not yet know whether the USPTO will issue a subsequent office action against our application for E3 LIGASE WHOLE BODY ATLAS, to which we will have to respond, and which we may not ultimately be able to overcome, or if this application will be approved for publication as well.

In the USPTO and in comparable agencies in many foreign jurisdictions, third parties are also given an opportunity to oppose pending trademark applications and/or to seek the cancellation of registered trademarks. For example, in November 2019, Novartis AG filed actions in the U.S. and European Union trademark offices opposing our applications to register KYMERA and KYMERA THERAPEUTICS for pharmaceuticals and drug development services on the basis of its claimed rights in the KYMRIAH mark. This dispute was amicably settled in October 2020 and the involved applications for KYMERA and KYMERA THERAPEUTICS are now registered or allowed in the United States and have proceeded to registration in the European Union.

If we are unable to adequately protect and enforce our trade secrets, our business and competitive position would be harmed.

In addition to the protection afforded by patents we may own or in-license, we seek to rely on trade secret protection, confidentiality agreements, and license agreements to protect proprietary know-how that may not be patentable, processes for which patents are difficult to enforce and any other elements of our product discovery and development processes that involve proprietary know-how, information, or technology that may not be covered by patents. Although we require all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information, or technology to enter into confidentiality agreements, trade secrets can be difficult to protect and we have limited control over the protection of trade secrets used by our collaborators and suppliers. We cannot be certain that we have or will obtain these agreements in all circumstances and we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary information.

Moreover, any of these parties might breach the agreements and intentionally or inadvertently disclose our trade secret information and we may not be able to obtain adequate remedies for such breaches. In addition, competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful. Furthermore, the laws of some foreign countries do not protect proprietary rights and trade secrets to the same extent or in the same manner as the laws of the U.S. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the U.S. and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property 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, financial condition, results of operations and future prospects.

In the case of employees, we enter into agreements providing that all inventions conceived by the individual, and which are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. Although we require all of our employees to assign their inventions to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Risks Related to Intellectual Property Litigation and Infringement Claims

We may initiate, become a defendant in, or otherwise become party to lawsuits to protect or enforce our intellectual property rights, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe any intellectual property we may own or in-license, including our patents and trademarks. In addition, any intellectual property we may own or in-license also may become the subject of a dispute, including those based on inventorship, priority, validity or unenforceability. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, in an infringement proceeding, a court may decide that any intellectual property we may own or in-license is not valid or is unenforceable or that the other party's use of our technology that may be patented falls under the safe harbor to patent infringement under 35 U.S.C. §271(e)(1). There is also the risk that, even if the validity of these patents is upheld, the court may refuse to stop the other party from using the technology at issue on the grounds that any patents we may own or in-license do not cover the technology in question or that such third party's activities do not infringe our patent applications or any patents we may own or in-license. An adverse result in any litigation or defense proceedings could put one or more of any patents or other intellectual property we may own or in-license at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our own applications at risk of not issuing. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, patient support or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

Post-grant proceedings provoked by third parties or brought by the USPTO may be necessary to determine the validity or priority of inventions with respect to our patent applications or any patents we may own or in-license. These proceedings are expensive and an unfavorable outcome could result in a loss of our current patent rights and 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. In addition to potential USPTO post-grant proceedings, we may become a party to patent opposition proceedings in the EPO, or similar proceedings in other foreign patent offices or courts where our patents may be challenged. The costs of these proceedings could be substantial, and may result in a loss of scope of some claims or a loss of the entire patent. An unfavorable result in a post-grant challenge proceeding may result in the loss of our right to exclude others from practicing one or more of our inventions in the relevant country or jurisdiction, which could have a material adverse effect on our business. Litigation or post-grant proceedings within patent offices may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the U.S.

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 detect infringement against any intellectual property we may own or in-license. Even if we detect infringement by a third party of any intellectual property we may own or in-license, we may choose not to pursue litigation against or settlement with the third party. If we later sue such third party for infringement, the third party may have certain legal defenses available to it, which otherwise would not be available except for the delay between when the infringement was first detected and when the suit was brought. Such legal defenses may make it impossible for us to enforce any patents or other intellectual property we may own or in-license against such third party.

Intellectual property litigation and administrative office challenges in one or more countries could cause us to spend substantial resources and distract our personnel from their normal responsibilities. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In August 2021, we initiated a US patent office proceeding, a post-grant review, to challenge a third-party patent unrelated to our current product candidates. In response, the owner of the challenged third-party patent disclaimed that patent in full. We may challenge additional third-party patents in the future. 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, patient support or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. As noted above, 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. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our preclinical studies and future clinical trials, continue our research programs, license necessary technology from third parties, or enter into development collaborations that would help us commercialize our current or future product candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

We may be subject to damages or settlement costs resulting from claims that we or our employees have violated the intellectual property rights of third parties, or are in breach of our agreements. We may be accused of, allege or otherwise become party to lawsuits or disputes alleging wrongful disclosure of third-party confidential information by us or by another party, including current or former employees, contractors or consultants. In addition to diverting attention and resources, such disputes could adversely impact our business reputation and/or protection of our proprietary technology.

The intellectual property landscape relevant to our product candidates and programs is crowded, and third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business. Our commercial success depends upon our ability to develop, manufacture, market and sell our current and future product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including derivation, interference, reexamination, inter partes review and post grant review proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. We or any of our current or future licensors or strategic partners may be party to, exposed to, or threatened with, future adversarial proceedings or litigation by third parties having patent or other intellectual property rights alleging that our current or future product candidates and/or proprietary technologies infringe, misappropriate or otherwise violate their intellectual property rights. We cannot assure you that our current or future product candidates, the Pegasus™ platform, and other technologies that we have developed, are developing or may develop in the future do not or will not infringe, misappropriate or otherwise violate existing or future patents or other intellectual property rights owned by third parties. For example, many of our employees were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. We may also be subject to claims that patents and applications we have filed to protect inventions of our employees, consultants and advisors, even those related to one or more of our current or future product candidates, the Pegasus™ platform, or other technologies, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims.

While certain activities related to development and preclinical and clinical testing of our current or future product candidates may be subject to safe harbor of patent infringement under 35 U.S.C. §271(e)(1), upon receiving FDA approval for such candidates we or any of our future licensors or strategic partners may immediately become party to, exposed to, or threatened with, future adversarial proceedings or litigation by third parties having patent or other intellectual property rights

alleging that such product candidates infringe, misappropriate or otherwise violate their intellectual property rights. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our current or future product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our current or future product candidates may give rise to claims of infringement of the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties may allege they have patent rights encompassing our current or future product candidates, technologies or methods.

If a third party claims that we infringe, misappropriate or otherwise violate its intellectual property rights, we may face a number of issues, including, but not limited to:

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

Some of our competitors may be able to sustain the costs of litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects.

Third parties may assert that we are employing their proprietary technology without authorization. Patents issued in the U.S. by law enjoy a presumption of validity that can be rebutted in U.S. courts only with evidence that is "clear and convincing," a heightened standard of proof. There may be issued third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our current or future product candidates. Patent applications can take many years to issue. In addition, because some patent applications in the U.S. may be maintained in secrecy until the patents are issued, patent applications in the U.S. and many foreign jurisdictions are typically not published until 18 months after their earliest priority filing date, and publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications covering our current or future product candidates or technology. If any such patent applications issue as patents, and if such patents have priority over our patent applications or patents we may own or in-license, we may be required to obtain rights to such patents owned by third parties which may not be available on commercially reasonable terms or at all, or may only be available on a non-exclusive basis. There may be currently pending third-party patent applications which may later result in issued patents that our current or future product candidates may infringe. It is also possible that patents owned by third parties of which we are aware, but which we do not believe are relevant to our current or future product candidates or other technologies, could be found to be infringed by our current or future product candidates or other technologies. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Moreover, we may fail to identify relevant patents or incorrectly conclude that a patent is invalid, not enforceable, exhausted, or not infringed by our activities. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of our current or future product

candidates, molecules used in or formed during the manufacturing process, or any final product itself, the holders of any such patents may be able to block our ability to commercialize the product candidate unless we obtained a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the product candidate unless we obtained a license or until such patent expires or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, or at all, our ability to commercialize our current or future product candidates or Pegasus™ platform may be impaired or delayed, which could in turn significantly harm our business. Even if we obtain a license, it may be nonexclusive, thereby giving our competitors access to the same technologies licensed to us.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our current or future product candidates. Defense of these claims, regardless of their merit, could involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement, misappropriation or other violation against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need or may choose to obtain licenses from third parties to advance our research or allow commercialization of our current or future product candidates. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize our current or future product candidates or technologies, which could harm our business significantly.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might subject us to infringement claims or adversely affect our ability to develop and market our current or future product candidates.

We cannot guarantee that any of our or our licensors' 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 patent application in the U.S. and abroad that is relevant to or necessary for the commercialization of our current or future product candidates in any jurisdiction. For example, U.S. patent applications filed before November 29, 2000 and certain U.S. patent applications filed after that date that will not be filed outside the U.S. remain confidential until patents issue. As mentioned above, patent applications in the U.S. 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 current or future product candidates could have been filed by third parties 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 current or future product candidates or the use of our current or future 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 current or future product candidates. We may incorrectly determine that our current or future product candidates 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 U.S. or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our current or future product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our current or future 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 fail in any such dispute, in addition to being forced to pay damages, which may be significant, we may be temporarily or permanently prohibited from commercializing any of our current or future product candidates or technologies that are held to be infringing. We might, if possible, also be forced to redesign current or future product candidates 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 and could adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Employee Matters, Managing Growth and Other Risks Related to Our Business

Risks Related to Employee Matters and Managing Growth

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the research and development, clinical and business development expertise of Nello Mainolfi, Ph.D., our President and Chief Executive Officer, Jared Gollob, M.D., our Chief Medical Officer, Bruce Jacobs, our Chief Financial Officer and Elaine Caughey, our Chief Business Officer, as well as the other principal members of our management, scientific and clinical teams. Although we have entered into employment letter agreements with our executive officers, each of them may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize drugs. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. Failure to succeed in clinical trials may make it more challenging to recruit and retain qualified scientific personnel.

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

As of December 31, 2022, we had 167 full-time employees, and we will continue to increase our number of employees and the scope of our operations. To manage our anticipated development and expansion, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of our current or future product candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our current or future product candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

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

Unforeseen global events, such as increasing inflation and interest rates and the related U.S. and global economic impact or the 2022 Russian invasion of Ukraine, could adversely impact our business. Such conflicts could lead to sanctions, embargoes, supply shortages, regional instability, geopolitical shifts, cyberattacks, other retaliatory actions, and adverse effects on macroeconomic conditions, currency exchange rates, and financial markets, which could adversely impact our operations and financial results, as well as those of third parties with whom we conduct business.

Additionally, any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics, including any potential effects from the current global spread of COVID-19, power shortage, telecommunication failure or other natural or man-made 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 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. Natural disasters or pandemics such as the COVID-19 pandemic could further disrupt our operations, and have a material and adverse effect on our business, financial condition, results of operations and prospects. For example, we have instituted a temporary work from home policy for non-essential office personnel and it is possible that this could have a negative impact on the execution of our business plans and operations. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure our investors 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.

Risks Related to Data and Privacy

Our internal computer systems, or those of our third-party CROs or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our current or future product candidates' development programs.

Despite the implementation of security measures, our internal computer systems and those of our third-party CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs. For example, the loss of data from preclinical studies or clinical trials for our current or future product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, other data or applications relating to our technology or current or future product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our current or future product candidates could be delayed.

We may be unable to adequately protect our information systems from cyberattacks, which could result in the disclosure of confidential or proprietary information, including personal data, damage our reputation, and subject us to significant financial and legal exposure.

We rely on information technology systems that we or our third-party providers operate to process, transmit and store electronic information in our day-to-day operations. In connection with our product discovery efforts, we may collect and use a variety of personal data, such as names, mailing addresses, email addresses, phone numbers and clinical trial information. A successful cyberattack could result in the theft or destruction of intellectual property, data or other misappropriation of assets, or otherwise compromise our confidential or proprietary information and disrupt our operations. Cyberattacks are increasing in their frequency, sophistication and intensity, and have become increasingly difficult to detect. Cyberattacks could include wrongful conduct by hostile foreign governments, industrial espionage, wire fraud and other forms of cyber fraud, the deployment of harmful malware, denial-of-service, social engineering fraud or other means to threaten data security, confidentiality, integrity and availability. A successful cyberattack could cause serious negative consequences for us, including, without limitation, the disruption of operations, the misappropriation of confidential business information, including financial information, trade secrets, financial loss and the disclosure of corporate strategic plans. Although we devote resources to protect our information systems, we realize that cyberattacks are a threat, and there can be no assurance that our efforts will prevent information security breaches that would result in business, legal, financial or reputational harm to us, or would have a material adverse effect on our results of operations and financial condition. Any failure to prevent or mitigate security breaches or improper access to, use of, or disclosure of our clinical data or patients' personal data could result in significant liability under state (e.g., state breach notification laws), federal (e.g., HIPAA, as amended by HITECH), and international law (e.g., the EU General Data Protection Regulation, or GDPR) and may cause a material adverse impact to our reputation, affect our ability to use collected data, conduct new studies and potentially disrupt our business.

We rely on our third-party providers to implement effective security measures and identify and correct for any such failures, deficiencies or breaches. We also rely on our employees and consultants to safeguard their security credentials and follow our policies and procedures regarding use and access of computers and other devices that may contain our sensitive information. If we or our third-party providers fail to maintain or protect our information technology systems and data integrity effectively or fail to anticipate, plan for or manage significant disruptions to our information technology systems, we or our third-party providers could have difficulty preventing, detecting and controlling such cyber-attacks and any such attacks could result in losses described above, as well as disputes with physicians, patients and our partners, regulatory sanctions or penalties, increases in operating expenses, expenses or lost revenues or other adverse consequences, any of which could have a material adverse effect on our business, results of operations, financial condition, prospects and cash flows. Any failure by such third parties to prevent or mitigate security breaches or improper access to or disclosure of such information could have similarly adverse consequences for us. If we are unable to prevent or mitigate the impact of such security or data privacy breaches, we could be exposed to litigation and governmental investigations, which could lead to a potential disruption to our business.

Risks Related to Our Common Stock

The price of our common stock has been and may continue to be volatile and fluctuate substantially, and investors may lose all or part of their investment.

Our stock price has been volatile and may continue to be subject to wide fluctuations in response to various factors. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies, including in connection with developments related to COVID-19, the conflict between Russia and Ukraine and related sanctions against Russia, increasing inflation rates, and interest rate changes, which have resulted in decreased stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects. As a result of this volatility, you may lose all or part of your investment. The market price for our common stock may be influenced by many factors, including:

- the success of competitive drugs or technologies;
- results of preclinical studies and clinical trials of our current or future product candidates or those of our competitors;
- regulatory or legal developments in the U.S. and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our current or future product candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license additional current or future product candidates or drugs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- announcements regarding our collaboration agreements, including announcements regarding our collaboration agreement with Sanofi;
- general economic, industry and market conditions; and
- the other factors described in this “Risk Factors” section.

These and other market and industry factors may cause the market price and demand for shares of our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from selling their shares at or above the price paid for the shares and may otherwise negatively affect the liquidity of our common stock. The realization of any of the above risks or any of a broad range of other risks, including those described in this section, could have a significant and material adverse impact on the market price of our common stock. The price of our common stock may be disproportionately affected as investors may favor traditional profit-making industries and companies during the times of market uncertainty and instability.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price.

As widely reported, global credit and financial markets have experienced extreme volatility and disruptions in the past several years, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability, including most recently in connection with the ongoing COVID-19 pandemic. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, or do not improve, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Furthermore, our stock price may decline due in part to the volatility of the stock market and the general economic downturn.

Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay, scale back or discontinue the development and commercialization of one or more of our product candidates or delay our pursuit of potential in-licenses or acquisitions. In addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive these difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget.

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

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of private and public equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. We do not currently have any committed external source of funds. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that materially adversely affect your rights as a common stockholder. Debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our intellectual property, future revenue streams, research programs or current or future product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, scale back or discontinue the development and commercialization of one or more of our product candidates, delay our pursuit of potential in-licenses or acquisitions or grant rights to develop and market current or future product candidates that we would otherwise prefer to develop and market ourselves.

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

The trading market for our common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We do not have control over these analysts. Although we have obtained research coverage from certain analysts, there can be no assurance that analysts will continue to cover us or provide favorable coverage. If one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. In addition, if one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

Our executive officers, directors, principal stockholders and their affiliates exercise significant influence over our company, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

As of December 31, 2022, the existing holdings of our executive officers, directors, principal stockholders and their affiliates represent beneficial ownership, in the aggregate, of approximately 31% of our outstanding common stock. As a result, these stockholders, if they act together, will be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. Some of these persons or entities may have interests different than yours. For example, because many of these stockholders purchased their shares at prices substantially below the current trading price of our stock and have held their shares for a longer period, they may be more interested in selling our Company to an acquirer than other investors or they may want us to pursue strategies that deviate from the interests of other stockholders. Additionally, from time to time, any of our non-affiliated shareholders may accumulate or acquire significant positions in our common stock and may similarly be able to influence our business or matters submitted to our stockholders for approval.

The concentration of voting power among these stockholders may also have an adverse effect on the price of our common stock by delaying, deferring or preventing a change of control of us; impeding a merger, consolidation, takeover or other business combination involving us; or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

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

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales or the perception in the market that the holders of a large number of shares of common stock intend to sell shares, could reduce the market price of our common stock.

Shares issued upon the exercise of stock options 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 the provisions of applicable vesting schedules, any applicable market standoff and lock-up agreements, and Rule 144 and Rule 701 under the Securities Act.

Certain holders of our common stock have rights, subject to conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We have also filed registration statements on Form S-8 registering the issuance of shares of common stock issued or reserved for future issuance under our equity compensation plans. Shares registered under this registration statement on Form S-8 can be freely sold in the public market upon issuance and once vested, subject to volume limitations applicable to affiliates. If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

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

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

We may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology and pharmaceutical companies have experienced significant stock price volatility in recent years. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business. Additionally, any lawsuit to which we are a party, with or without merit, may result in an unfavorable judgment. We also may decide to settle lawsuits on unfavorable terms. Any such negative outcome could result in payments of substantial damages or fines, damage to our reputation or adverse changes to our business practices. Furthermore, during the course of litigation, there could be negative public announcements of the results of hearings, motions or other interim proceedings or developments, which could have a negative effect on the market price of our common stock.

Risks Related to Tax

Changes in tax law may adversely affect us or our investors.

The rules dealing with 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, or 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.

Additional changes to U.S. federal income tax law are currently being contemplated, and future changes in tax laws could have a material adverse effect on our business, cash flow, financial condition or results of operations. 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. You are urged to consult your tax advisor regarding the implications of potential changes in tax laws on an investment in our common stock.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes to offset future taxable income may be subject to certain limitations, and, as a result, unavailable to reduce our future tax liability.

As of December 31, 2022, we had federal and state net operating loss carryforwards of $153.9 million and $139.8 million, respectively, which begin to expire in various amounts in 2036 (other than federal net operating loss carryforwards arising in taxable years beginning after December 31, 2017, which are not subject to expiration but the deductibility of such federal NOLs may be limited to 80% of our taxable income annually for tax years beginning after December 31, 2020). As of December 31, 2022, we also had federal and state research and development tax credit carryforwards of $12.7 million and $6.1 million, respectively, which begin to expire in 2036. These net operating loss and tax credit carryforwards could expire unused and be unavailable to offset future income tax liabilities. In addition, in general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses or tax credits, or NOLs or credits, to offset future taxable income or taxes. For these purposes, an ownership change generally occurs where the aggregate stock ownership of one or more stockholders or groups of stockholders who own at least 5% of a corporation's stock increases by more than 50 percentage points over the lowest ownership percentage of such stockholders or groups of stockholders within a specified testing period. Our existing NOLs or credits may be subject to limitations arising from previous ownership changes. In addition, future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Sections 382 and 383 of the Code and limit our ability to utilize NOLs or credit. Our NOLs or credits may also be impaired under state law. Accordingly, we may not be able to utilize a material portion of our NOLs or credits. Furthermore, our ability to utilize our NOLs or credits is conditioned upon our attaining profitability and generating U.S. federal and state taxable income. As described above under "Risk Factors—Risks Related to our Financial Position and Need for Additional Capital," we have incurred significant net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future; and therefore, we do not know whether or when we will generate the U.S. federal or state taxable income necessary to utilize our NOLs or credit carryforwards that are subject to limitation by Sections 382 and 383 of the Code.

Risks Related to Our Controls and Reporting Requirements

If we fail to maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we are required to furnish a report by our management on our internal control over financial reporting, including an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

To achieve compliance with Section 404, we have engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that neither we nor our independent registered public accounting firm will be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm our stock price and make it more difficult for us to effectively market and sell any of our present or future product candidates that may receive regulatory approval.

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

We are subject to certain reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, 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 realities 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 or insufficient disclosures due to error or fraud may occur and not be detected.

Risks Related to Our Charter and Bylaws

Anti-takeover provisions under our charter documents and Delaware law could delay or prevent a change of control, which could limit the market price of our common stock and may prevent or frustrate attempts by our stockholders to replace or remove our current management.

Our fourth amended and restated certificate of incorporation and our second amended and restated bylaws contain provisions that could delay or prevent a change of control of our company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions include:

- a board of directors divided into three classes serving staggered three-year terms, such that not all members of the board will be elected at one time;
- a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders;
- a requirement that special meetings of stockholders be called only by the board of directors acting pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office;
- advance notice requirements for stockholder proposals and nominations for election to our board of directors;
- a requirement that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors;
- a requirement of approval of not less than two-thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our certificate of incorporation; and
- the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporate Law, or DGCL, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These antitakeover provisions and other provisions in our fourth amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could

also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

Our amended and restated bylaws designate specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any state law claims for (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of or based on a breach of a fiduciary duty owed by any director, officer or other employee of ours to us or our stockholders; (3) any action asserting a claim pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine, or the Delaware Forum Provision. The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Our amended and restated bylaws further provide that unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Massachusetts shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or the Federal Forum Provision. In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

We recognize that the Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware or the Commonwealth of Massachusetts, as applicable. Additionally, the forum selection clauses in our amended and restated bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled, and other state courts have upheld the validity of, that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the District of Massachusetts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We currently occupy approximately 34,522 rentable square feet of office and laboratory space in Watertown, Massachusetts under a lease that expires in March 2030. We have an option to extend the lease term for five additional years. Additionally, in December 2021 we signed an additional lease for 100,624 square feet of office and laboratory space in Watertown, Massachusetts, which the Company expects to begin occupying in November 2023. We believe that our office and laboratory space is sufficient to meet our current needs and that suitable additional space will be available as and when needed.

Item 3. Legal Proceedings.

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

Certain Information Regarding the Trading of Our Common Stock

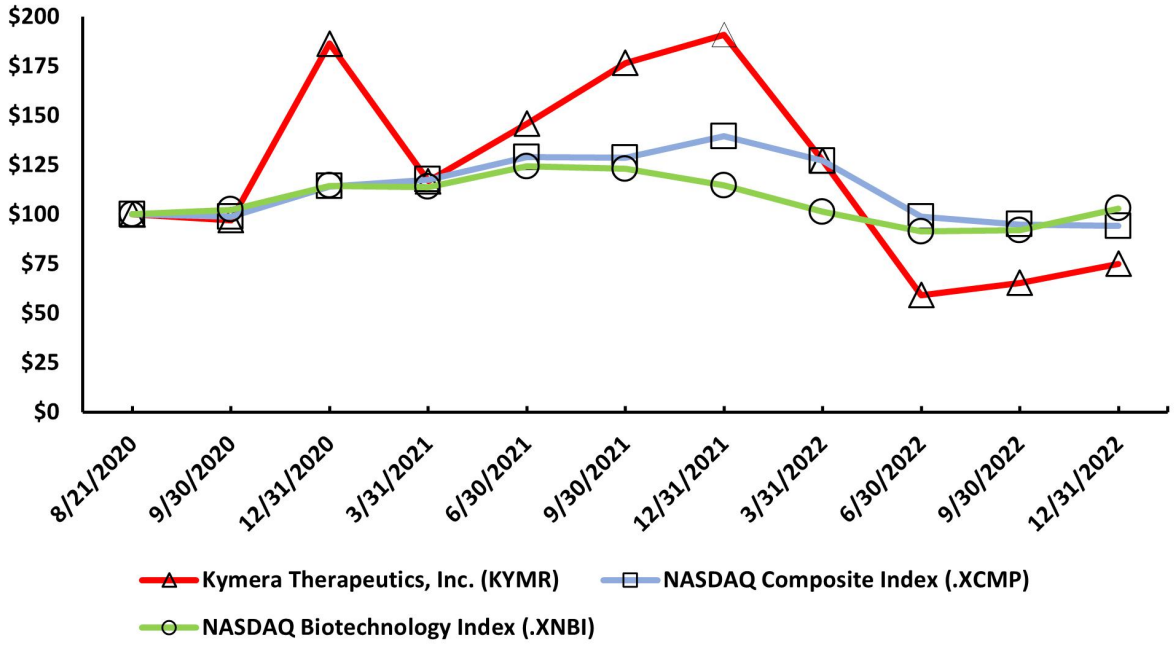
Our common stock trades under the symbol "KYMR" on the Nasdaq Global Select Market and has been publicly traded since August 21, 2020. Prior to this time, there was no public market for our common stock.

Stock Performance Graph

The following graph shows a comparison from August 21, 2020, the first date that shares of our common stock were publicly traded, through December 31, 2022, of the cumulative total return on an assumed investment of $100.00 in cash in our common stock, the NASDAQ Composite Index and the NASDAQ Biotechnology Index for the same period. Such returns are based on historical results and are not intended to suggest future performance. Data for the NASDAQ Composite Index and the NASDAQ Biotechnology Index assume reinvestment of dividends.

Comparison of 29 Month Cumulative Total Return*

Among Kymera Therapeutics, Inc., the NASDAQ Composite Index and the NASDAQ Biotechnology Index



*$100 invested on August 21, 2020 in stock and indices, including reinvestment of dividends.
Fiscal year ending December 31.

The performance graph in this Item 5 is not deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section, and shall not be deemed incorporated by reference into any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate it by reference into such a filing.

Holders of Our Common Stock

As of February 17, 2023, there were approximately 37 holders of record of shares of our common stock. This number does not include stockholders for whom shares are held in "nominee" or "street" name.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to Item 12 of Part III of this Annual Report.

Recent Sales of Unregistered Securities

None.

Item 6. Reserved.

Not Applicable.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis and set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the section titled "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a biopharmaceutical company focused on discovering and developing novel small molecule therapeutics that selectively degrade disease-causing proteins by harnessing the body's own natural protein degradation system. Our proprietary targeted protein degradation, or TPD, platform, which we refer to as Pegasus™, allows us to discover highly selective small molecule protein degraders with activity against disease-causing proteins throughout the body. We believe that our small molecule protein degraders have unique advantages over existing therapies and allow us to address a large portion of the human genome that was previously intractable with traditional modalities. We focus on biological pathways that have been clinically validated but where key biological nodes/proteins have not been drugged or inadequately drugged. To date, we have utilized our Pegasus™ platform to design novel protein degraders focused in the areas of immunology-inflammation and oncology, and we continue to apply our platform's capabilities to additional therapeutic areas. We have a mission to drug all target classes in human cells using TPD. Our current clinical stage programs are IRAK4, IRAKIMiD, and STAT3, which each address high impact targets within the interleukin-1 receptor/toll-like receptor, or IL-1R/TLR, and janus kinase/signal transducers and activators of transcription, or JAK/STAT, pathways, providing the opportunity to treat a broad range of immune-inflammatory diseases, hematologic malignancies, and solid tumors. Our programs exemplify our focus on addressing high impact targets that have been elusive to conventional modalities and that drive the pathogenesis of multiple serious diseases with significant unmet medical needs. We have completed our Phase 1 trial of KT-474, which included a single ascending dose, or SAD, portion, a multiple ascending dose, or MAD, portion and a single dose, food-effect cohort to establish the dose for the patient cohort, or Part C, in patients with HS and AD. In December 2022, Sanofi notified us of its intent to advance KT-474 into Phase 2 clinical trials. Phase 2 clinical trials of KT-474 will initially investigate its potential in HS and AD, with the clinical trial for the first indication initiating in 2023. With respect to our oncology programs, we are evaluating KT-333, a STAT3 degrader, in a Phase 1 clinical trial in patients with relapsed/refractory liquid and solid tumors, including aggressive lymphomas. Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023. We are also evaluating KT-413, our IRAKIMiD degrader, in a Phase 1 clinical trial in patients with relapsed/refractory B cell lymphomas, including MYD88 mutant diffuse large B cell lymphomas (DLBCL). Patient enrollment and dosing are ongoing in the Phase 1a portion of the trial, and we expect to provide additional clinical data in 2023. In December 2022, we received FDA clearance for our investigational new drug, or IND, application to evaluate our MDM2 degrader, KT-253, in a Phase 1 clinical trial. KT-253 has been developed to stabilize the tumor suppressor p53 and address a wide variety of p53 wild type tumor types in both solid tumors and hematologic malignancies. We plan to initiate our Phase 1 clinical trial of KT-253 in early 2023.

Since our inception in 2015, we have devoted substantially all of our efforts to organizing and staffing our company, research and development activities, business planning, raising capital, building our intellectual property portfolio and providing general and administrative support for these operations. To date, we have received gross proceeds of $1.03 billion from sales of our convertible preferred stock, the sale of common stock including our August 2020 initial public offering, or IPO, and concurrent private placement, our July 2021 follow-on offering and concurrent private placement, our August 2022 private investment in public equity, or PIPE offering, and through our collaborations with Vertex Pharmaceuticals Incorporated, or Vertex, and Sanofi.

We have incurred significant operating losses since inception. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our current product candidates or any future product candidates. Our net losses were $154.8 million, $100.2 million and $45.6 million for the years ended December 31, 2022, 2021 and 2020, respectively. In addition, as of December 31, 2022 and 2021 we had an accumulated deficit of $383.8 million and $229.0 million, respectively. We expect that our expense and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- initiate and complete clinical trials for current or future product candidates, including the ongoing Phase 1 trials of KT-333, KT-413, and KT-253;

- prepare and submit Investigational New Drug applications, or INDs, with the U.S. Food and Drug Administration, or FDA, for current and future product candidates;
- initiate and continue research and development activities to support our pre-clinical product candidate pipeline;
- manufacture our drug products, drug substances, delivery vehicles, and product candidates for use in preclinical studies, clinical trials and on a larger scale for commercialization, if approved;
- continue to develop and expand our Pegasus™ platform to identify additional product candidates;
- maintain, expand and protect our intellectual property portfolio;
- seek marketing approvals for our product candidates that successfully complete clinical trials, if any;
- acquire or in-license additional product candidates and technologies;
- expand our infrastructure and facilities to accommodate our growing employee base and ongoing development activity;
- require the manufacture of larger quantities of our product candidates for clinical development and potential commercialization;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval; and
- add operational, financial and management information systems and personnel, including personnel to support our research and development programs, any future commercialization efforts and operating as a public company.

In addition, if we obtain marketing approval for any of our lead product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through the sale of equity, debt financings, or other capital sources, which may include collaborations with other companies or other strategic transactions. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, reduce or eliminate the development and commercialization of one or more of our product candidates.

We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain marketing approval for our drug candidates. The lengthy process of securing marketing approvals for new drugs requires the expenditure of substantial resources. Any delay or failure to obtain regulatory approvals would materially adversely affect our product candidate development efforts and our business overall. Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

As of December 31, 2022, we had cash, cash equivalents and marketable securities of $559.5 million. We believe the existing cash, cash equivalents and marketable securities on hand, will enable us to fund our operating expenses and capital expenditure requirements into the second half of 2025 which is expected to take us past the proof-of-concept Phase 2 data for KT-474, as well as early proof-of-concept data for KT-413, KT-333 and KT-253 . We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See "— Liquidity and capital resources."

Since it was reported to have surfaced in December 2019, a novel strain of coronavirus, Sars-Cov-2 which leads to COVID-19, has spread across the world and has been declared a pandemic by the World Health Organization. Efforts to contain the spread of COVID-19 have intensified and governments around the world, including in the United States, Europe and Asia, have implemented severe travel restrictions, social distancing requirements, stay-at-home orders and have delayed the commencement of non-COVID-19-related clinical trials, among other restrictions. As a result, the current COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting our employees, patients, communities and business operations, as well as contributing to significant volatility and negative pressure on the U.S. economy and in financial markets. We expect that COVID-19 precautions will directly or indirectly impact the timeline for some of our

planned clinical trials and are continuing to assess the potential impact of the COVID-19 pandemic on our current and future business and operations, including our expenses and clinical trials, as well as on our industry and the healthcare system.

As a result of the pandemic, many companies have experienced disruptions in their operations and in markets served. To date, we have initiated some and may take additional temporary precautionary measures intended to help ensure our employees' well-being and minimize business disruption. These measures include devising contingency plans and securing additional resources from third-party service providers. For the safety of our employees and their families, we have temporarily reduced the presence of our scientists in our labs and continue to rely on third parties to conduct many of the experiments and studies for our research programs. Certain of our third-party service providers have also experienced shutdowns or other business disruptions. We are continuing to assess the impact of the COVID-19 pandemic on our current and future business and operations, including our expenses and planned clinical trial and other development timelines, as well as on our industry and the healthcare system.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future. Our only revenues have been derived from research collaboration arrangements with Vertex and Sanofi. We expect that our revenue for the next several years will be derived primarily from our current collaboration agreements and any additional collaborations that we may enter into in the future. To date, we have not received any royalties under any of the collaboration agreements.

Vertex Collaboration Agreement

On May 9, 2019, we entered into a collaboration agreement, or the Vertex Agreement, with Vertex, to advance small molecule protein degradation against up to six targets. Under the Vertex Agreement, Vertex has the exclusive option to license the rights to the product candidates developed through the collaboration at which point Vertex will control development and commercialization. Pursuant to the Vertex Agreement, we are responsible for discovery and preclinical research on the targets, and Vertex is responsible for development, manufacturing, and commercialization of the product candidates after it exercises its option to license.

Vertex provided us with a non-refundable upfront payment of $50.0 million and purchased 3,059,695 shares of our Series B-1 Convertible Preferred Stock at $6.54 a share, pursuant to a separate, but simultaneously executed Share Purchase Agreement. We are eligible to receive up to $170.0 million in payments per target, including development, regulatory, and commercial milestones, as well as option exercise payments. In addition, Vertex is obligated to pay us tiered royalties on future net sales on any products that may result from the Vertex Agreement. None of the payments under the Vertex Agreement are refundable. We may also perform follow-on research activities for an optioned target upon Vertex's request and at Vertex's expense.

Sanofi Agreement

On July 7, 2020, we entered into a collaboration agreement, or the Sanofi Agreement, with Sanofi to co-develop drug candidates directed to two biological targets. Under the Sanofi Agreement, we granted to Sanofi a worldwide exclusive license to develop, manufacture and commercialize certain lead compounds generated during the collaboration directed against IRAK4 and one additional undisclosed target in an undisclosed field of use. Such license is exercisable on a collaboration target-by-collaboration target basis only after a specified milestone. For compounds directed against IRAK4, the field of use includes diagnosis, treatment, cure, mitigation or prevention of any diseases, disorders or conditions, excluding oncology and immuno-oncology. We are responsible for discovery and preclinical research and conducting a phase 1 clinical trial for at least one degrader directed against IRAK4 plus up to three backup degraders. With respect to both targets, Sanofi is responsible for development, manufacturing, and commercialization of product candidates after a specified development milestone occurs with respect to each collaboration candidate.

We have an exclusive option, or Opt-In Right, exercisable on a collaboration target-by-collaboration target basis that will include the right to (i) to fund 50% of the United States development costs for collaboration products directed against such target in the applicable field of use and (ii) share equally in the net profits and net losses of commercializing collaboration products directed against such target in the applicable field of use in the United States. In addition, if we exercise the Opt-In Right, Sanofi will grant us an exclusive option, applicable to each collaboration target, which upon exercise will allow us to conduct certain co-promotion activities in the field in the United States.

The Sanofi Agreement, unless earlier terminated, will expire on a product-by-product basis on the date of expiration of all payment obligations under the Sanofi Agreement with respect to such product. We or Sanofi may terminate the agreement upon the other party's material breach or insolvency or for certain patent challenges. In addition, Sanofi may terminate the agreement for convenience or for a material safety event upon advance prior written notice, and we may terminate the agreement with respect to any collaboration candidate if, following Sanofi's assumption of responsibility for the development, commercialization or manufacturing of collaboration candidates with respect to a particular target, Sanofi ceases to exploit any collaboration candidates directed to such target for a specified period.

In consideration for the exclusive licenses granted to Sanofi under the Sanofi Agreement, Sanofi made an upfront payment of $150.0 million. In addition to the upfront payment, we are eligible to receive certain development milestone payments of up to $1.48 billion in the aggregate, of which more than $1.0 billion relates to the IRAK4 program, upon the achievement of certain developmental or regulatory events. We will be eligible to receive certain commercial milestone payments up to $700.0 million in the aggregate, of which $400.0 million relates to the IRAK4 program, which are payable upon the achievement of certain net sales thresholds. We will be eligible to receive tiered royalties for each program on net sales ranging from the high single digits to high teens, subject to low-single digits upward adjustments in certain circumstances.

On November 15, 2022, we entered into an Amended and Restated Collaboration and License Agreement with Sanofi, or the Amended Sanofi Agreement, which amended the Original Sanofi Agreement to revise certain research terms and responsibilities set forth under the Original Sanofi Agreement. The Amended Sanofi Agreement also specifies details around the timing and number of Phase 2 trials required under the terms of the collaboration. The Amended Sanofi Agreement became effective on December 5, 2022.

Additionally with respect to Sanofi, on December 2, 2022, Sanofi provided the Company with written notice of its intention to advance the collaboration target 1 candidate, KT-474, into Phase 2 clinical trials. The Company is entitled to receive milestone payments upon the dosing of the first Phase 2 patient(s) per indication up to a specified number of indications as further set forth in the Amended Sanofi Agreement. Phase 2 clinical trials of KT-474 will initially investigate its potential in HS and AD with the clinical trial for the first indication expected to be initiated in 2023.

Operating expenses

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

Research and development expenses

Research and development expenses consist primarily of costs incurred in connection with the discovery and development of targeted protein degradation therapeutics, including those in our initial programs, IRAK4, IRAKIMiD, STAT3 and MDM2. These research efforts and costs, which also support the development of, and enhancements to, our Pegasus™ platform, include external research costs, personnel costs, supplies, license fees and facility-related expenses. We expense research and development costs as incurred. These expenses include:

- employee-related expenses, including salaries, related benefits and stock-based compensation expense, for employees engaged in research and development functions;
- expenses incurred under agreements with organizations that support our platform program development;
- contract manufacturing organizations, or CMOs, that are primarily engaged to provide drug substance and product for our preclinical research and development programs, nonclinical studies and other scientific development services;
- the cost of acquiring and manufacturing nonclinical trial materials, including manufacturing registration and validation batches;
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and insurance;
- costs related to compliance with quality and regulatory requirements; and
- payments made under third-party licensing agreements.

Advance payments that we make for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. Such amounts are recognized as an expense as the goods are delivered or the related services are performed, or until it is no longer expected that the goods will be delivered or the services rendered.

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will increase substantially in connection with our planned clinical development activities in the near term and in the future. At this time, we cannot accurately estimate or know the nature, timing and costs of the efforts that will be necessary to complete the clinical development of any future product candidates.

Our future clinical development costs may vary significantly based on factors such as:

- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients that participate in the trials;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the cost and timing of manufacturing our product candidates;
- the phase of development of our product candidates; and
- the efficacy and safety profile of our product candidates.

The successful development and commercialization of product candidates is highly uncertain. This is due to the numerous risks and uncertainties associated with product development and commercialization, including the following:

- the timing and progress of nonclinical and clinical development activities;
- the number and scope of nonclinical and clinical programs we decide to pursue;
- the ability to raise necessary additional funds;
- the progress of the development efforts of parties with whom we may enter into collaboration arrangements;
- our ability to maintain our current development program and to establish new ones;
- our ability to establish new licensing or collaboration arrangements;
- the successful initiation and completion of clinical trials with safety, tolerability and efficacy profiles that are satisfactory to the FDA or any comparable foreign regulatory authority;
- the receipt and related terms of regulatory approvals from applicable regulatory authorities;
- the availability of drug substance and drug product for use in production of our product candidates;
- our ability to establish and maintain agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if any of our product candidates are approved;
- our ability to obtain and maintain patents, trade secret protection and regulatory exclusivity, both in the United States and internationally;
- our ability to protect our rights in our intellectual property portfolio;
- our ability to obtain and maintain third-party insurance coverage and adequate reimbursement;

- the acceptance of our product candidates, if approved, by patients, the medical community and third-party payors;
- the impact of competition with other products;
- the impact of any business interruptions to our operations, including the timing and enrollment of patients in our planned clinical trials, or to those of our manufacturers, suppliers, or other vendors resulting from the COVID-19 pandemic or similar public health crisis; and
- our ability to maintain a continued acceptable safety profile for our therapies following approval.

A change in the outcome of any of these variables with respect to the development of our product candidates could significantly change the costs and timing associated with the development of that product candidate. We may never succeed in obtaining regulatory approval for any of our product candidates.

General and administrative expenses

General and administrative expenses consist primarily of salaries and related costs for personnel in executive, finance, legal, corporate and business development, and administrative functions. General and administrative expenses also include legal fees relating to patent and corporate matters, professional fees for accounting, auditing, tax and administrative consulting services, insurance costs, administrative travel expenses, marketing expenses and other operating costs.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support development of our product candidates and our continued research activities. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance and director and officer insurance costs as well as legal, investor and public relations expenses associated with our continued growth as a public comapny.

Other Income (Expense)

Interest and other income and expense, net

Interest and other income and expense consists of interest earned on our invested cash balances and interest on our financing leases.

Results of Operations

Comparison of years ended December 31, 2022 and 2021

The following table summarizes our results of operations for the years ended December 31, 2022 and 2021:

	Year ended December 31,		Change
	2022	2021	
		(in thousands)	
Revenue—from related parties	$ 46,826	$ 72,832	$ (26,006)
Operating expenses:			
Research and development	164,248	137,017	27,231
General and administrative	43,834	36,345	7,489
Total operating expenses	208,082	173,362	34,720
Loss from operations	(161,256)	(100,530)	(60,726)
Other income, net	6,448	313	6,135
Net loss	$ (154,808)	$ (100,217)	$ (54,591)

Collaboration revenue

We recognize revenue under each of the Vertex Agreement and Sanofi Agreement based on our pattern of performance related to the respective identified performance obligation, which is the period over which we will perform research services under each of the Vertex Agreement and Sanofi Agreement.

Collaboration revenues were $46.8 million for the year ended December 31, 2022, of which $10.8 million and $36.0 million were attributable to our collaboration agreements with Vertex and Sanofi, respectively. Collaboration revenues were $72.8 million for the year ended December 31, 2021, of which $18.5 million and $54.3 million were attributable to our collaboration agreements with Vertex and Sanofi, respectively.

Research and development expenses

The following table summarizes our research and development expenses for each period presented (program expenses are not disclosed prior to formal development cadidate nomination):

	Year ended December 31,		Change
	2022	2021	
		(in thousands)	
External research and development costs:			
IRAK4	$ 17,850	$ 27,368	$ (9,518)
IRAKIMiD	4,914	10,847	(5,933)
STAT3	8,332	10,081	(1,749)
MDM2	11,823	—	11,823
Other	46,474	35,909	10,565
Internal research and development costs	74,855	52,812	22,043
Total research and development expenses	$ 164,248	$ 137,017	$ 27,231

Research and development expenses were $164.2 million for the year ended December 31, 2022, compared to $137.0 million for the year ended December 31, 2021. The increase of $27.2 million was primarily due to an increase of $22.4 million related to IND-enabling studies for our MDM2 program and increased investment in our other pipeline programs and platform, as well an additional $22.0 million increase in personnel, stock-based compensation and occupancy costs due to increases in employee headcount in the research and development functions. These increases were primarily offset by a $17.2 million reduction in direct expenses related to our activities for our IRAK4, IRAKIMiD and STAT3 programs due to changes in the stage of development of these respective programs.

General and administrative expenses

General and administrative expenses were $43.8 million for the year ended December 31, 2022, compared to $36.3 million for the year ended December 31, 2021. The $7.5 million increase was primarily due to a $6.5 million increase in G&A employee compensation due to an increase in employee headcount, and a $1.0M increase in legal and professional services expenses to support our growth as a public compamy.

Other Income, Net

Other income, net was $6.4 million for the year ended December 31, 2022, compared to $0.3 million for the year ended December 31, 2021. The $6.1 million increase was primarily due to the prevailing interest rates in the respective periods.

Results of Operations

Comparison of years ended December 31, 2021 and 2020

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

	Year ended December 31,		Change
	2021	2020	
		(in thousands)	
Revenue—from related parties	$ 72,832	$ 34,034	$ 38,798
Operating expenses:			
Research and development	137,017	62,105	74,912
General and administrative	36,345	18,233	18,112
Total operating expenses	173,362	80,338	93,024
Loss from operations	(100,530)	(46,304)	(54,226)
Other income, net	313	711	(398)
Net loss	$ (100,217)	$ (45,593)	$ (54,624)

Collaboration revenue

We recognize revenue under each of the Vertex Agreement and Sanofi Agreement based on our pattern of performance related to the respective identified performance obligation, which is the period over which we will perform research services under each of the Vertex Agreement and Sanofi Agreement.

Collaboration revenues were $72.8 million for the year ended December 31, 2021, of which $18.5 million and $54.3 million were attributable to our collaboration agreements with Vertex and Sanofi, respectively. Collaboration revenues were $34.0 million for the year ended December 31, 2020, of which $15.2 million and $18.8 million were attributable to our collaboration agreements with Vertex and Sanofi, respectively.

Research and development expenses

The following table summarizes our research and development expenses for each period presented (program expenses are not disclosed prior to formal development cadidate nomination):

	Year ended December 31,		Change
	2021	2020	
		(in thousands)	
External research and development costs:			
IRAK4	$ 27,368	$ 14,016	$ 13,352
IRAKIMiD	$ 10,847	6,170	$ 4,677
STAT3	10,081	6,674	3,407
Other	35,909	12,579	23,330
Internal research and development costs	52,812	22,666	30,146
Total research and development expenses	$ 137,017	$ 62,105	$ 74,912

Research and development expenses were $137.0 million for the year ended December 31, 2021, compared to $62.1 million for the year ended December 31, 2020. The increase of $74.9 million was primarily due to higher direct expenses related to IND-enabling studies and clinical activities for our IRAK4, IRAKIMiD, and STAT3 programs of $21.5 million, as well as increased expenses related to the investment in our platform, exploratory programs, and Vertex collaboration of $23.3 million. We also had a $30.1 million increase in personnel, stock-based compensation, occupancy costs due to increases in employee headcount in the research and development functions.

General and administrative expenses

General and administrative expenses were $36.3 million for the year ended December 31, 2021, compared to $18.2 million for the year ended December 31, 2020. The $18.1 million increase was primarily due to an increase in legal and professional service fees and an increase in personnel, facility, occupancy and other expenses stemming from an increase in headcount to support our growth as a public company as well as increased stock-based compensation expense also attributable to our headcount.

Other Income, Net

Other income, net was $0.3 million for the year ended December 31, 2021, compared to $0.7 million for the year ended December 31, 2020. The $0.4 million decrease was primarily due to the prevailing interest rates in the respective periods.

Liquidity and capital resources

We have not yet generated any revenue from any product sales, and we have incurred significant operating losses since our inception. We have not yet commercialized any products and we do not expect to generate revenue from sales of products for several years, if at all. To date, we have received gross proceeds of $1.03 billion from sales of our convertible preferred stock, the sale of common stock including our August 2020 IPO and concurrent private placement, our July 2021 follow-on offering and concurrent private placement, our August 2022 PIPE offering, and through our collaborations with Vertex and Sanofi. As of December 31, 2022 we had cash and cash equivalents and marketable securities of $559.5 million.

In October 2021, we entered into a sales agreement, or Sales Agreement, with Cowen and Company, LLC, or Cowen, pursuant to which we may offer and sell shares of our common stock having aggregate gross proceeds of up to $250.0 million from time to time in "at-the-market" offerings through Cowen, as our sales agent. We agreed to pay Cowen a commission of up to 3.0% of the gross proceeds of any shares sold by Cowen under the Sales Agreement. There have been no shares of our common stock sold under the Sales Agreement as of December 31, 2022.

Cash flows

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

	Year Ended December 31,		
	2022	2021	2020
		(in thousands)	
Cash (used in) provided by operating activities	$ (153,085)	$ (128,946)	$ 88,130
Cash provided by (used in) investing activities	20,519	(99,835)	(422,588)
Cash provided by financing activities	152,999	250,280	289,262
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 20,433	$ 21,499	$ (45,196)

Cash Flows (Used in) provided by Operating Activities

During the year ended December 31, 2022, operating activities used $153.1 million of cash, primarily resulting from our net loss of $154.8 million during the period and a $37.8 million decrease in deferred revenue under our Sanofi and Vertex collaboration agreements. These were offset by adjustments for non-cash items of $39.3 million (primarily consisting of stock-based compensation, depreciation and amortization and premiums and discounts on available sale-securities) and a $0.2 million net increase in operating assets and liabilities primarily driven by changes in accounts payable and accrued expenses partially offset by changes in prepaid expenses and other operating assets and liabilities.

During the year ended December 31, 2021, operating activities used $128.9 million of cash, primarily resulting from our net loss of $100.2 million during the period and a $69.4 million decrease in deferred revenue under our Sanofi and Vertex collaboration agreements. These were offset by adjustments for non-cash items of $33.2 million (primarily consisting of stock-based compensation, depreciation and amortization and premiums and discounts on available sale-securities) and a $7.5 million net increase in operating assets and liabilities primarily driven by changes in accounts payable and accrued expenses partially offset by changes in prepaid expenses and other operating assets and liabilities.

During the year ended December 31, 2020, operating activities provided $88.1 million of cash, primarily resulting from $150.0 million of proceeds received under our collaboration agreement with Sanofi executed in July 2020. Cash provided by operating activities also included an increase of accounts payable and accruals of $6.7 million, an increase in net operating assets and liabilities of $0.7 million, offset by our net loss of $45.6 million adjusted for net non-cash items of $8.9 million (primarily stock-based compensation, depreciation expense and amortization of premiums and discounts on securities).

Cash Flow provided by (used in) Investing Activities

During the year ended December 31, 2022, cash provided by investing activities was $20.5 million comprised of maturities of marketable securities of $469.3 million partially offset by purchases of marketable securities of $446.0 million and purchases of property and equipment of $2.8 million.

During the year ended December 31, 2021, cash used in investing activities was $99.8 million comprised of purchases of marketable securities of $456.4 million and purchases of property and equipment of $1.6 million offset by maturities of marketable securities of $358.2 million.

During the year ended December 31, 2020, cash used in investing activities was $422.6 million comprised of purchases of marketable securities of $529.4 million and purchases of property and equipment of $9.1 million offset by maturities of marketable securities of $115.9 million.

Cash Flow from Financing Activities

During the year ended December 31, 2022, net cash provided by financing activities was $153.0 million, primarily consisting of $149.8 million of net proceeds received in our August 2022 PIPE offering, $3.2 million in proceeds from the exercise of employee stock options, $1.1 million in proceeds from the issuance of shares under our employee stock purchase partially offset by finance lease payments of $1.1 million.

During the year ended December 31, 2021, net cash provided by financing activities was $250.3 million, primarily consisting of $240.8 million of net proceeds received in our July 2021 follow on offering, $2.3 million from our July 2021 concurrent private placement, $7.6 million in proceeds from the exercise of employee stock options, $0.8 million in proceeds from the issuance of shares under our employee stock purchase plan offset by the payment of $0.4 million in offering costs related to our August 2020 IPO and finance lease payments of $0.8 million.

During the year ended December 31, 2020, net cash provided by financing activities was $289.3 million, primarily consisting of $183.1 million of net proceeds received in our August 2020 IPO, $13.5 million from our August 2020 concurrent private placement, $88.2 million of proceeds from our issuances of Series C convertible preferred stock in March 2020, net of issuance costs, and $4.8 million of proceeds from the second closing of our Series B convertible preferred stock financing in January 2020, net of issuance costs.

Future funding requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the later-stage clinical development of our product candidates. In addition, we expect to incur additional costs associated with our growth as a public company.

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

- the initiation, progress, timing, costs and results of nonclinical studies and clinical trials for our product candidates or any future product candidates we may develop;
- our ability to maintain our relationships with Sanofi, Vertex and other key collaborators;

- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more nonclinical studies or clinical trials than those that we currently expect or change their requirements on studies that had previously been agreed to;
- the cost to establish, maintain, expand, enforce and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, preparing, filing, prosecuting, defending and enforcing any patents or other intellectual property rights;
- the effect of competing technological and market developments;
- the costs of continuing to grow our business, including hiring key personnel and maintaining or acquiring operating space;
- the degree of market acceptance of any approved product candidates, including product pricing, as well as product coverage and the adequacy of reimbursement by third-party payors;
- the cost of acquiring, licensing or investing in additional businesses, products, product candidates and technologies;
- the cost and timing of selecting, auditing and potentially validating a manufacturing site for commercial-scale manufacturing;
- the cost of establishing sales, marketing and distribution capabilities for any product candidates for which we may receive regulatory approval and that we determine to commercialize; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems.

We believe the existing cash, cash equivalents and marketable securities of $559.5 million as of December 31, 2022, will enable us to fund our operating expenses and capital expenditure requirements into the second half of 2025. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. We expect that we will require additional funding to continue the clinical development of our IRAK4, IRAKIMiD, STAT3 and MDM2 programs, commercialize our product candidates if we receive regulatory approval, and pursue in-licenses or acquisitions of other product candidates. If we receive regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize our product candidates.

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

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, and marketing, distribution or licensing arrangements with third parties. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Market volatility resulting from the COVID-19 pandemic or other factors could also adversely impact our ability to access capital as and when needed. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our existing stockholders may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay, reduce or eliminate our product development or future commercialization

Contractual Obligations and Other Commitments

We have entered into arrangements that contractually obligate us to make payments that will affect our liquidity and cash flows in future periods. Such arrangements primarily include those related to our lease commitments.

Lease Commitments

Our lease commitments reflect payments due for our two lease agreements for laboratory and office space in Watertown, Massachusetts that expire in March, 2030 and December, 2034, respectively. As of December 31, 2022, our contractual commitments for our leases were $137.1 million, which will be paid over the term of such leases. The amount of lease commitments reflects payments due for one of our leases that had not commenced under Accounting Standards Codification (ASC) Topic 842, Leases (ASC 842), as of December 31, 2022, and as a result, these leases are not reflected within the consolidated balance sheets. We expect this lease to commence in 2023. For additional information on our leases and timing of future payments, please read Note 7, Leases, to the consolidated financial statements included in this Form 10-K.

Other Obligations

We enter into contracts in the normal course of business with various third parties for clinical trials, preclinical research studies, and testing, manufacturing, and other services and products for operating purposes. These contracts provide for termination upon notice. Payments due upon cancellation generally consist only of payments for services provided or expenses incurred, including non-cancellable obligations of our service providers, up to the date of cancellation. These payments have not been included separately within these contractual and other obligations disclosures.

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 generally accepted accounting principles, or GAAP, in the United States. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our consolidated financial statements appearing at the end of this Annual Report, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services.

To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of ASC 606, we perform the following five steps: (i) identification of the contract(s) with the customer, (ii) identification of the promised goods or services in the contract and determination of whether the promised goods or services are performance obligations, (iii) measurement of the transaction price, (iv) allocation of the transaction price to the performance obligations, and (v) recognition of revenue when (or as) we satisfy each performance obligation. We only apply the five-step model to contracts when it is probable that the entity will collect consideration it is entitled to in exchange for the goods or services it transfers to the customer.

When optional goods or services are offered, we assess the options to determine whether the options grant the customer a material right. This determination includes whether the option is priced at an amount that the customer would not have received without entering into the contract. If we conclude the option conveys a material right, it is accounted for as a separate performance obligation. In identifying performance obligations in a contract, we identify those promises that are distinct. Promised goods or services are considered distinct when the customer can benefit from the goods or services on their own, or together with readily available resources, and the goods or services are separately identifiable from other promises in the contract. If a promise is not distinct, it is combined with other promises in the contract until the combined group of promises is capable of being distinct.

We estimate the transaction price based on the amount of consideration we expect to receive for transferring the promised goods or services in the contract. The consideration may include both fixed consideration and variable consideration. At the inception of each arrangement that includes variable consideration, we evaluate the amount of the potential payments and the likelihood that the payments will be received. If it is probable that a significant revenue reversal would not occur, the variable consideration is included in the transaction price. For contracts that include sales-based royalties for licensed compounds, we recognize revenue at the date when the related sales occur. Finally, we determine whether the contract contains a significant financing component by analyzing the promised consideration relative to the standalone selling price of the promised goods and services and the timing of payment relative to the transfer of the promised goods and services. At each reporting date, we reassess the transaction price and probability of achievement of the performance obligations and the associated constraints on transaction price. If necessary, we adjust the transaction price, recording a cumulative catch-up based on progress for the amount that was previously constrained.

Revenue is recognized when (or as) control of a performance obligation is transferred to the customer. When combined performance obligations contain a promised license and related services or other promises, management judgment is required to determine the appropriate timing of revenue recognition. In doing so, we must identify the predominant promise or promises in the contract to determine whether revenue is recognized at a point in time or over time. If over time, we must determine the appropriate measure of progress. If a license is deemed to be the predominant promise in a performance obligation, we must determine the nature of the license, whether functional or symbolic intellectual property, to conclude whether point-in-time or over-time revenue recognition is most appropriate. The determination of functional or symbolic intellectual property requires an assessment of whether the customer is able to exploit and benefit from the license in its current condition, or if the utility of the license is dependent on or influenced by our ongoing activities or being associated with us.

At each reporting date, we calculate the measure of progress for the performance obligations transferred over time. The calculation generally uses an input measure based on costs incurred to-date relative to estimated total costs to complete the transfer of the performance obligation. The measurement of progress is then used to calculate the total revenue earned, including any cumulative catch-up adjustment.

Research and Development Contract Costs and Accruals

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued research and development expenses. This process involves reviewing open contracts and purchase orders, communicating with our applicable 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 actual costs. The majority of our service providers invoice us in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; however, some require advance payments. We make estimates of our accrued expenses as of each balance sheet date in the consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of these estimates with the service providers and make adjustments, if necessary. Examples of estimated accrued research and development expenses include fees paid to:

- vendors, including research laboratories, in connection with preclinical development activities;
- CROs and investigative sites in connection with our clinical trials and preclinical studies; and
- CMOs in connection with drug substance and drug product formulation of preclinical studies.

We base the expense recorded related to external research and development on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple CMOs and CROs that supply, conduct and manage nonclinical studies on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the expense. 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 the estimate, we adjust the accrual or the amount of prepaid expenses accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to our prior estimates of accrued research and development expenses.

Equity-Based Compensation Expense

We measure equity-based awards granted to employees, directors, and nonemployees based on their fair value on the date of the grant and recognize compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. The equity-based payments include stock options and grants of common stock, including common stock subject to vesting. The measurement date for equity awards is the date of grant, and equity-based compensation costs are recognized as expense over the requisite service period, which is the vesting period, on a straight-line basis. We have issued stock options and restricted stock with performance-based vesting conditions and record the expense for these awards if we conclude that it is probable that the performance condition will be achieved. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and our expected dividend yield. Expected volatility is calculated based on reported volatility data for a representative group of publicly traded companies for which historical information is available. We select companies with comparable characteristics to us with historical share price information that approximates the expected term of the equity-based awards. We compute the historical volatility data using the daily closing prices for the selected companies' shares during the equivalent period that approximates the calculated expected term of our stock options. We will continue to apply this method until a sufficient amount of historical information regarding the volatility of our stock price becomes available. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant commensurate with the expected term assumption. We use the simplified method, under which the expected term is presumed to be the midpoint between the vesting date and the end of the contractual term. We utilize this method due to lack of historical exercise data. The expected dividend yield is assumed to be zero as we have no current plans to pay any dividends on common stock.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk related to changes in interest rates. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments, including cash equivalents, are in the form of money market funds and marketable securities and are invested in U.S. treasury or government obligations and corporate securities. However, because of the short-term nature of the duration of our portfolio and the low-risk profile of our investments, we believe an immediate 10% change in market interest rates would not be expected to have a material impact on the fair market value of our investments portfolio or on our financial condition or results of operations.

We are also exposed to market risk related to changes in foreign currency exchange rates. We contract with vendors that are located in Asia and Europe and certain invoices are denominated in foreign currencies. We are subject to fluctuations in foreign currency rates in connection with these arrangements. We do not currently hedge our foreign currency exchange rate risk. As of December 31, 2022, we had no significant liabilities denominated in foreign currencies.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. The global macroeconomic environment has experienced, and continues to experience, extraordinary challenges, including the highest rates of inflation in 40 years. These macroeconomic factors have contributed, and we expect will continue to contribute, to increased costs, among other concerns. We cannot predict how long these inflationary pressures will continue, or how they may change over time, but we expect to see continued impacts on the global economy, our industry and our company. During 2022, we experienced increases in interest income and costs across our business. If inflationary pressures continue to persist, they may continue to have an adverse impact on our consolidated financial position, results of operations and/or cash flows.

Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kymera Therapeutics, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2022, 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, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 23, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit 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.

Collaboration Arrangements

Description of the Matter

As discussed in Note 5 to the consolidated financial statements, the Company recognizes revenue associated with each performance obligation as the research and development services are provided using an input method, according to costs incurred as related to the research and development activities for each individual program and the costs expected to be incurred in the future to satisfy that individual performance obligation. The amounts received that have not yet been recognized as revenue are deferred as a contract liability on the Company's consolidated balance sheet. For the year ended December 31, 2022, the Company has recognized $46.8 million in collaboration revenue.

Auditing the Company's accounting for revenues from collaboration arrangements was complex and required significant judgments primarily in evaluating estimates of the total expected costs under the input method for revenue recognized over time. Auditing the progress toward completion of collaboration agreements was especially challenging because it involves subjective management assumptions used in estimating the remaining research and development costs necessary to satisfy the performance obligation. The calculation of the total remaining estimated research and development cost includes forecasted costs associated with internal employee efforts, materials costs, and third-party contract costs. The recognition of revenue pursuant to collaboration arrangements is subject to these judgments made and estimates developed by management and is sensitive to changes in these assumptions.

How We Addressed the Matter in Our Audit

We evaluated and tested the design and operating effectiveness of internal controls over the Company's process for developing the estimate, including controls to assess the completeness and accuracy of the data that supports management's estimates.

To test the Company's collaboration revenue, we performed audit procedures that included, among others, reading the collaboration agreements and testing the accuracy and completeness of the underlying data used in evaluating the estimates and significant judgments described above. To assess the reasonableness of the Company's significant estimates and judgments, we compared cost estimates to costs previously incurred for similar activities, evaluated the remaining estimated level of effort required to complete the services, and inspected evidence of actual costs incurred. We also discussed the basis for key assumptions with the Company's research and development personnel, who oversee the completion of the collaboration arrangements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.
Boston, Massachusetts
February 23, 2023

KYMERA THERAPEUTICS, INC.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	December 31,	
	2022	**2021**
Assets		
Current assets:		
Cash and cash equivalents	$ 68,395	$ 47,976
Marketable securities (Note 4)	338,771	394,442
Contract assets—due from related party	2,537	135
Prepaid expenses and other current assets	9,713	8,720
Total current assets	$ 419,416	$ 451,273
Marketable securities, non-current (Note 4)	152,328	125,187
Property and equipment, net (Note 6)	13,334	11,881
Right-of-use assets, operating leases	8,909	9,426
Other non-current assets	3,017	2,022
Restricted cash	6,130	6,116
Total assets	$ 603,134	$ 605,905
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,335	$ 4,005
Accrued expenses (Note 8)	27,502	22,971
Deferred revenue	35,260	61,739
Operating lease liabilities	2,535	2,461
Finance lease liabilities	1,408	1,138
Other current liabilities	303	228
Total current liabilities	$ 71,343	$ 92,542
Non-current liabilities		
Deferred revenue, net of current portion	28,000	39,295
Operating lease liabilities, net of current portion	12,146	13,224
Finance lease liabilities, net of current portion	1,246	1,140
Other non-current liabilities	248	66
Total liabilities	$ 112,983	$ 146,267
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, $0.0001 par value; 150,000,000 shares authorized at December 31, 2022 and 2021, 55,039,380 and 51,573,924 shares issued at December 31, 2022 and 2021, respectively; 55,039,380 and 51,536,181 shares outstanding at December 31, 2022 and 2021, respectively	6	5
Additional paid-in capital	878,884	689,275
Accumulated deficit	(383,790)	(228,982)
Accumulated other comprehensive loss	(4,949)	(660)
Total stockholders' equity	490,151	459,638
Total liabilities and stockholders' equity	$ 603,134	$ 605,905

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

KYMERA THERAPEUTICS, INC.
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)

	Year ended December 31,		
	2022	2021	2020
Statement of Operations Data:			
Collaboration Revenue—from related parties	$ 46,826	$ 72,832	$ 34,034
Operating expenses:			
Research and development	$ 164,248	$ 137,017	$ 62,105
General and administrative	43,834	36,345	18,233
Total operating expenses	208,082	173,362	80,338
Loss from operations	(161,256)	(100,530)	(46,304)
Other income (expense):			
Interest and other income	6,624	488	826
Interest and other expense	(176)	(175)	(115)
Total other income	6,448	313	711
Net loss	$ (154,808)	$ (100,217)	$ (45,593)
Other comprehensive loss:			
Unrealized loss on marketable securities	(4,289)	(532)	(134)
Total comprehensive loss	$ (159,097)	$ (100,749)	$ (45,727)
Reconciliation of net loss to net loss attributable to common stockholders:			
Net Loss	$ (154,808)	$ (100,217)	$ (45,593)
Deemed dividend from exchange of convertible preferred stock	—	—	(9,050)
Net loss attributable to common stockholders	$ (154,808)	$ (100,217)	$ (54,643)
Net loss per share attributable to common stockholders, basic and diluted	$ (2.87)	$ (2.09)	$ (3.15)
Weighted average common stocks outstanding, basic and diluted	53,933,229	47,989,023	17,349,582

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

KYMERA THERAPEUTICS, INC.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity
For the years ended December 31 2022, 2021 and 2020
(In thousands, except share and per share amounts)

	Series Seed Convertible Preferred Stock		Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series B-1 Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock		Additional Paid in	Accumulated	Accumulated Other Comprehensive	Total Stockholders' (Deficit)
	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Capital	Deficit	Gain/(Loss)	Equity
Balance at December 31, 2019	3,000,000	$ 5,900	14,720,126	$ 29,237	14,827,580	$ 59,918	3,059,695	$ 14,025	—	$ —	1,929,516	$ —	$ 2,044	$ (76,456)	$ 6	(74,406)
Vesting of Series A Preferred Stock in connection with collaboration arrangement (Note 5)	—	—	110,788	222	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of Series B Preferred Stock, net of issuance costs of $0	—	—	—	—	1,182,265	4,800	—	—	—	—	—	—	—	—	—	—
Issuance of Series C Preferred Stock, net of issuance costs of $320	—	—	—	—	—	—	—	—	13,539,141	88,180	—	—	—	—	—	—
Exchange of Series A Convertible Preferred Stock for Series C Preferred Convertible Preferred Stock	—	—	(1,988,802)	(3,950)	—	—	—	—	1,988,802	13,000	—	—	(2,334)	(6,716)	—	(9,050)
Exercise of Stock Options	—	—	—	—	—	—	—	—	—	—	78,852	—	162	—	—	162
Vesting Restricted Stock	—	—	—	—	—	—	—	—	—	—	184,410	—	112	—	—	112
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	—	—	5,190	—	—	5,190
Unrealized loss on marketable securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(134)	(134)
Issuance of shares in connection with initial public offering net of underwriting discounts and offering costs of $17,003	—	—	—	—	—	—	—	—	—	—	9,987,520	1	182,747	—	—	182,748
Conversion of convertible preferred stock into common stock	(3,000,000)	(5,900)	(12,842,112)	(25,509)	(16,009,845)	(64,718)	(3,059,695)	(14,025)	(15,527,943)	(101,180)	31,625,534	3	211,329	—	—	211,332
Issuance of shares in concurrent private placement	—	—	—	—	—	—	—	—	—	—	676,354		13,527	—	—	13,527
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(45,593)	—	(45,593)
Balance at December 31, 2020	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	44,482,186	$ 4	$ 412,777	$ (128,765)	$ (128)	$ 283,888

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

KYMERA THERAPEUTICS, INC.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity
For the years ended December 31 2022, 2021 and 2020
(In thousands, except share and per share amounts)

	Series Seed Convertible Preferred Stock		Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series B-1 Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock		Additional Paid in	Accumulated	Accumulated Other Comprehensive	'Total Stockholders'
	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Capital	Deficit	Gain/(Loss)	Equity
Balance at December 31, 2020	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	44,482,186	$ 4	$ 412,777	$ (128,765)	$ (128)	$ 283,888
Exercise of stock options	—	—	—	—	—	—	—	—	—	—	1,431,271	1	7,632	—	—	7,633
Vesting restricted stock	—	—	—	—	—	—	—	—	—	—	72,359	—	—	—	—	—
Issuance of shares under employee stock purchase plan	—	—	—	—	—	—	—	—	—	—	19,687	—	788	—	—	788
Issuance of vested restricted stock to consultants											12,500	—	—	—	—	
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	—	—	24,972	—	—	24,972
Unrealized loss on marketable securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(532)	(532)
Issuance of shares in connection with public offering net of underwriting discounts and costs of $16,207	—	—	—	—	—	—	—	—	—	—	5,468,250	—	240,760	—	—	240,760
Issuance of shares in concurrent private placement	—	—	—	—	—	—	—	—	—	—	49,928	—	2,346	—	—	2,346
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(100,217)	—	(100,217)
Balance at December 31, 2021	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	51,536,181	$ 5	$ 689,275	$ (228,982)	$ (660)	$ 459,638

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

KYMERA THERAPEUTICS, INC.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity
For the years ended December 31 2022, 2021 and 2020
(In thousands, except share and per share amounts)

	Series Seed Convertible Preferred Stock		Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series B-1 Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock		Additional Paid in	Accumulated	Accumulated Other Comprehensive	'Total Stockholders'
	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Capital	Deficit	Gain/(Loss)	Equity
Balance at December 31, 2021	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	51,536,181	$ 5	$ 689,275	$ (228,982)	$ (660)	$ 459,638
Issuance of Common Stock and accompanying Pre-Funded Warrants at Private Placement, net of issuance cost of $174	—	—	—	—	—	—	—	—	—	—	2,769,228	1	149,825	—	—	149,826
Exercise of stock options	—	—	—	—	—	—	—	—	—	—	601,594	—	3,154			3,154
Vesting restricted stock	—	—	—	—	—	—	—	—	—	—	36,866	—		—	—	—
Issuance of shares under ESPP											95,511	—	1,150	—	—	1,150
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	—	—	35,480	—	—	35,480
Unrealized loss on marketable securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,289)	(4,289)
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(154,808)	—	(154,808)
Balance at December 31, 2022	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	55,039,380	$ 6	$ 878,884	$ (383,790)	$ (4,949)	$ 490,151

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

KYMERA THERAPEUTICS, INC.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2022	**2021**	**2020**
Operating activities			
Net loss	(154,808)	$ (100,217)	$ (45,593)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation expense	35,480	24,972	5,190
Depreciation and amortization	2,977	2,397	1,763
Premiums and discounts on available for sale marketable securities	889	5,807	1,571
Loss on disposal of property and equipment	—	18	—
Non-cash research and development expense	—	—	332
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	(992)	(4,016)	(3,816)
Accounts receivable—due from related party	—	577	(577)
Contract asset—due from related party	(2,401)	721	(856)
Accounts payable	253	54	990
Accrued expenses and other current liabilities	4,519	12,599	5,754
Deferred revenue	(37,774)	(69,356)	117,400
Operating lease right-of-use assets	517	419	8,444
Operating lease liabilities	(1,004)	(1,015)	(2,647)
Other non-current assets	(998)	(1,992)	(30)
Other non-current liabilities	257	86	205
Net cash (used in) provided by operating activities	$ (153,085)	$ (128,946)	$ 88,130
Investing activities			
Purchase of property and equipment, net	(2,836)	(1,597)	(9,096)
Purchase of marketable securities	(445,972)	(456,404)	(529,382)
Maturities of marketable securities	469,327	358,166	115,890
Net cash provided by (used in) investing activities	$ 20,519	$ (99,835)	$ (422,588)
Financing activities			
Proceeds from issuance of common stock and accompanying pre-funded warrants from private placement, net of issuance costs	149,825	—	—
Proceeds from the issuance of Series B-1 Convertible Preferred Stock, net of issuance costs	—	—	4,800
Proceeds from the issuance of Series C Convertible Preferred Stock, net of issuance costs	—	—	88,181
Proceeds from stock option exercises	3,154	7,632	162
Proceeds from employee stock purchase plan	1,150	788	—
Payments of offering costs in connection with initial public offering	—	(397)	—
Payments on financing leases	(1,130)	(849)	(554)
Proceeds from follow-on public offering, net of underwriting discounts and offering costs	—	240,760	—
Proceeds from initial public offering, net of underwriting discounts and offering costs	—	—	183,146
Proceeds from concurrent private placement	—	2,346	13,527
Net cash provided by financing activities	$ 152,999	$ 250,280	$ 289,262
Net increase (decrease) in cash, cash equivalents and restricted cash	20,433	21,499	(45,196)
Cash, cash equivalents and restricted cash at beginning of period	54,092	32,593	77,789
Cash, cash equivalents and restricted cash at end of period	$ 74,525	$ 54,092	$ 32,593
Supplemental disclosure of cash flow activities			
Cash paid for interest	$ 179	$ 158	$ 115
Supplemental disclosure of noncash investing and financing activities			
Purchases of property and equipment through finance and lease liabilities	$ 1,506	$ 1,918	$ —
Property and equipment purchases included in accounts payable and accrued expenses	$ 87	$ 42	$ 27
Offering costs included in accounts payable	$ —	$ —	$ 397
Supplemental disclosure of noncash operating activities			
Reduction of right-of-use asset and liability due to lease modification	$ —	$ —	$ 2,161

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

The following table provides a reconciliation of the cash, cash equivalents, and restricted cash balances as of each of the periods shown above:

	December 31,		
	2022	2021	2020
Cash and cash equivalents	$ 68,395	$ 47,976	$ 31,004
Restricted cash	6,130	6,116	1,589
Total cash, cash equivalents, and restricted cash	$ 74,525	$ 54,092	$ 32,593

Note 1. Description of Business and Summary of Significant Accounting Policies

Kymera Therapeutics, Inc., together with its subsidiary Kymera Securities Corporation, is referred to on a consolidated basis as the "Company". The Company is a biopharmaceutical company focused on discovering and developing small molecule therapeutics that selectively degrade disease-causing proteins by harnessing the body's own natural cellular process, a method known as targeted protein degradation. The Company has devoted its efforts principally to research and development since formation. The Company has not yet completed product development, filed for or obtained regulatory approvals for any products, nor verified the market acceptance and demand for such products. As a result, the Company is subject to a number of risks common to emerging companies in the biotech industry. Principal among these risks are the uncertainties of the product discovery and development process, dependence on key individuals, development of the same or similar technological innovations by the Company's competitors, protection of proprietary technology, compliance with government regulations and approval requirements, the Company's ability to access capital and uncertainty of market acceptance of products.

The Company has historical net losses and anticipates that it will continue to incur losses for the foreseeable future and had an accumulated deficit of $383.8 million as of December 31, 2022. The Company has funded these losses principally through issuance of preferred stock, convertible notes, common stock, including its initial public offering and concurrent private placement completed in August 2020 ("IPO"), follow-on offering and concurrent private placement completed in July 2021 ("Follow-on Offering"), August 2022 Private Investment in Public Equity ("PIPE") offering, and from cash proceeds received in connection with the Company's collaboration agreements with Vertex Pharmaceuticals Incorporated ("Vertex") and Genzyme Corporation ("Sanofi") (see Note 5). The Company expects to continue to incur operating losses and negative cash flows until such time as it generates a level of revenue that is sufficient to support its cost structure.

As of December 31, 2022, the Company had cash, cash equivalents and marketable securities of $559.5 million. The Company believes these cash, cash equivalents and marketable securities will be sufficient to fund its operations and capital expenditure requirements through at least twelve months from the issuance of these consolidated financial statements.

The Company expects to finance the future research and development costs of its product portfolio with its existing cash, cash equivalents and marketable securities, or through strategic financing opportunities that could include, but are not limited to future offerings of its equity, collaboration agreements, or the incurrence of debt. However, there is no guarantee that any of these strategic or financing opportunities will be executed or realized on favorable terms, if at all, and some could be dilutive to existing stockholders. If the Company fails to obtain additional future capital, it may be unable to complete its planned preclinical studies and clinical trials.

Reverse Stock Split

On August 20, 2020, the Board approved a 1-for-1.5949 reverse stock split of the Company's issued and outstanding shares of common stock and a proportional adjustment to the existing conversion ratios for each of the Company's outstanding series of preferred stock. All share and per share amounts in the accompanying consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to this reverse stock split, including reclassifying an amount equal to the reduction in par value of common stock to additional paid-in capital.

Initial Public Offering

On August 20, 2020, the Company's registration statement on Form S-1 relating to its initial public offering of its common stock was declared effective by the Securities and Exchange Commission ("SEC"). In the IPO, which closed on August 25, 2020, the Company issued and sold 9,987,520 shares of common stock, including full exercise of the underwriters' over-allotment option to purchase an additional 1,302,720 shares, at a public offering price of $20.00 per share and the aggregate gross proceeds before deducting before deducting underwriting discounts and commissions, and other estimated offering expenses payable by the Company, were approximately $199.8 million. Concurrent with the IPO, the Company issued and sold 676,354 shares of common stock at $20.00 per share in a private placement to Vertex and the aggregate proceeds were $13.5 million.

Follow-on Public Offering

On July 6, 2021, the Company completed a follow-on offering of its common stock and issued and sold 5,468,250 shares of common stock, including full exercise of the underwriters' over-allotment option to purchase an additional 713,250 shares, at a public offering price of $47.00 per share. The aggregate gross proceeds before deducting underwriting discounts and commissions, and other estimated offering expenses payable by the Company were approximately $257.0 million. Concurrent with the follow-on offering, the Company issued and sold 49,928 shares of common stock at $47.00 per share in a private placement to Vertex and the aggregate proceeds were $2.3 million.

Private Investment in Public Equity "PIPE" offering

On August 18, 2022, the Company and certain accredited investors entered into a securities purchase agreement pursuant to which the Company agreed to sell and issue to such investors in a private placement (i) an aggregate of 2,769,228 shares of the Company's common stock at a purchase price of $26.00 per share, and (ii) 3,000,000 Pre-Funded Warrants to purchase common stock, at a purchase price of $25.9999 per pre-funded warrant, (the "Pre-Funded Warrants"). The Pre-Funded Warrants will have an exercise price of $0.0001 per share of common stock. The offering closed on August 22, 2022, resulting in net proceeds of $149.8 million after offering expenses.

As the Pre-Funded Warrants are indexed to the Company's common stock (and otherwise meet the requirements to be classified in equity), the Company recorded the consideration received from the issuance of the Pre-Funded Warrants as additional paid-in capital on the Company's consolidated balance sheets. The Pre-Funded Warrants are exercisable at any time. The holders of Pre-Funded Warrants may not exercise the warrant if the holder, together with its affiliates, would beneficially own more than 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to such exercise. The holders of Pre-Funded Warrants may increase or decrease such percentages not in excess of 19.99% by providing at least 61 days' prior notice to the Company.

During the twelve months ended December 31, 2022, no Pre-Funded Warrants were exercised. As of December 31, 2022, there were 3,000,000 pre-funded warrants outstanding.

Note 2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described in this note, and elsewhere in the accompanying consolidated financial statements and notes.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Kymera Securities Corporation. All intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of expenses during the reporting period. Management's estimates and judgments are derived and continually evaluated based on available information, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Because the use of estimates is inherent in the financial reporting process, actual results could differ from those estimates. In recording transactions and balances resulting from business operations, management makes estimates based on the best information available at the time the estimate is made. Significant estimates relied upon in preparing these financial statements include revenue recognized under our collaboration agreement with Sanofi and Vertex, accrual for research and development expenses, equity-based compensation expense, and the valuation of equity prior to the Company's initial public offering. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior estimates.

Segment and Geographic Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company views its operations and manages its business in one operating segment.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments that are readily convertible into cash with original maturities of three months or less when purchased. These assets include investments in money market funds that invest in U.S. Treasury obligations and corporate bonds. The Company maintains its bank accounts at major financial institutions.

Restricted Cash

Restricted cash represents the cash held to secure letters of credit associated with the Company's facility leases.

Marketable Securities

The Company classifies marketable securities with a remaining maturity of greater than three months when purchased as available-for-sale. The Company classifies investments available to fund current operations as current assets on its balance sheets. Marketable securities with a remaining maturity date greater than one year are classified as non-current. Available-for-sale securities are maintained by investment managers and consist of U.S. Treasury securities and corporate bonds. Available-for-sale securities are carried at fair value with the unrealized gains and losses included in other comprehensive income (loss) as a component of stockholders' equity until realized. Any premium or discount arising at purchase is amortized and/or accreted to interest income and/or expense over the life of the instrument. Realized gains and losses are determined using the specific identification method and are included in other (expense) income, net.

At each reporting date, the Company performs an evaluation of impairment to determine if any unrealized losses are the result of credit losses. Impairment is assessed at the individual security level. Factors considered in determining whether a loss resulted from a credit loss or other factors include the Company's intent and ability to hold the investment until the recovery of its amortized cost basis, the extent to which the fair value is less than the amortized cost basis, the length of time and extent to which fair value has been less than the cost basis, the financial condition of the issuer, any historical failure of the issuer to make scheduled interest or principal payments, any changes to the rating of the security by a rating agency, any adverse legal or regulatory events affecting the issuer or issuer's industry, and any significant deterioration in economic conditions.

Fair Value Measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1—Quoted prices in active markets for identical assets

Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar asset, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets, including pricing models, discounted cash flow methodologies and similar techniques.

The carrying values of the Company's cash equivalents, prepaid expenses, accounts payable, and certain accruals approximate their fair value due to their short-term nature.

Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present. Leases that are economically similar to the purchase of assets are generally classified as finance leases; otherwise the leases are classified as operating leases. The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets, lease liabilities and, if applicable, long-term lease liabilities. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected remaining lease term. However, certain adjustments to the right-of-use asset may be required for items such as incentives received. The Company has elected as an accounting policy to combine lease and non- lease components, such as common area maintenance, for all classes of underlying assets. The interest rate implicit in lease contracts has not historically been readily determinable. As a result, the Company utilizes its incremental borrowing rates, which are the rates incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. To estimate its incremental borrowing rate, a credit rating applicable to the Company is estimated using synthetic credit rating analysis since the Company does not currently have a rating agency-based credit rating.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Major additions and betterments are capitalized; maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to operations as incurred. Depreciation expense is recorded using the straight-line method over the estimated useful life of the related asset as follows:

	Estimated Useful Life (in years)
Lab equipment	5 years
Furniture and fixtures	5 years
Office equipment	5 years
Computer equipment	3 years
Leasehold improvements	Shorter of life of lease or remaining lease term

Upon retirement or sale, the cost and related accumulated depreciation of assets disposed of are removed from the accounts and any resulting gain or loss is included in loss from operations.

Construction-in-progress is stated at cost, which includes direct costs attributable to the setup or construction of the related asset. Depreciation expense is not recorded on construction-in-progress until the relevant assets are completed and put into use.

Impairment of Long-Lived Assets

Long-lived assets (including right-of-use assets) to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset to its carrying value. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of an asset are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset over its fair value, determined based on discounted cash flows. The Company did not record any impairment losses on long-lived assets during the years ended December 31, 2022, 2021 and 2020.

Convertible Preferred Stock

The Company classified convertible preferred stock as temporary equity in the accompanying consolidated statement of Convertible Preferred Stock and Stockholders' Equity due to terms that allow for redemption of the shares in cash upon certain change in control events that are outside of the Company's control, including the sale or transfer of the Company as holders of the convertible preferred stock which could trigger redemption of the shares. The Company did not accrete the value of the convertible preferred stock to the redemption values since a liquidation event was not considered probable prior to the conversion date. In connection with the Company's initial public offering on August 25, 2020, all outstanding shares of convertible preferred stock converted to common stock.

Warrants

The Company determines the accounting classification of warrants that are issued, as either liability or equity, by first assessing whether the warrants meet liability classification in accordance with ASC 480-10, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity*, and then in accordance with ASC 815-40, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock*. Under ASC 480-10, warrants are considered liability classified if the warrants are mandatorily redeemable, obligate the issuer to settle the warrants or the underlying shares by paying cash or other assets, or must or may require settlement by issuing variable number of shares.

If warrants do not meet liability classification under ASC 480-10, the Company assesses the requirements under ASC 815-40, which states that contracts that require or may require the issuer to settle the contract for cash are liabilities recorded at fair value, irrespective of the likelihood of the transaction occurring that triggers the net cash settlement feature. If the warrants do not require liability classification under ASC 815-40, in order to conclude equity classification, the Company assesses whether the warrants are indexed to its common stock and whether the warrants are classified as equity under ASC 815-40 or other applicable U.S. GAAP. After all relevant assessments are made, the Company concludes whether the warrants are classified as liability or equity. Liability classified warrants are required to be accounted for at fair value both on the date of issuance and on subsequent accounting period ending dates, with all changes in fair value after the issuance date recorded in the statements of operations as a gain or loss. Equity classified warrants are accounted for at fair value on the issuance date with no changes in fair value recognized after the issuance date.

Research and Development Costs

Research and development costs consist primarily of costs incurred in connection with the discovery and development of targeted protein degradation therapeutics, including those in the Company's most advanced development programs, IRAK4, IRAKIMiD, STAT3 and MDM2. These research efforts and costs, which also support the development of, and enhancements to, the Company's Pegasus™ targeted protein degradation platform, include external research costs, personnel costs, supplies, license fees and facility related expenses. The Company expenses research and development costs as incurred.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recoverability of the expenditure. Amounts incurred are classified as general and administrative expenses.

Financing Costs

Costs incurred in connection with the issuance of equity units and shares are recorded as a reduction of proceeds to the equity carrying value. The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process financings as deferred offering costs until such financings are consummated. After consummation of the financing, these costs are recorded as a reduction of the proceeds received from the financing. If a planned financing is abandoned, the deferred offering costs are expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. There was no deferred offering costs on the Company's consolidated balance sheet at December 31, 2022 and December 31, 2021.

Revenue Recognition

Under ASC 606, Topic 606, *Revenue from Contracts with Customers ("ASC 606")*, the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of ASC 606, the Company performs the following five steps: (i) identification of the contract(s) with the customer; (ii) identification of the promised goods or services in the contract and determination of whether the promised goods or services are performance obligations; (iii) measurement of the transaction price; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

As part of the accounting for these arrangements, the Company must use significant judgment to determine: a) the number of performance obligations based on the determination under step (ii) above and whether those performance obligations are distinct from other performance obligations in the contract; b) the transaction price under step (iii) above; and c) the standalone selling price for each performance obligation identified in the contract for the allocation of transaction price in step (iv) above. The Company uses judgment to determine whether milestones or other variable consideration, except for royalties, should be included in the transaction price as described further below. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied. In determining the stand-alone selling price of a license to the Company's proprietary technology or a material right provided by a customer option, the Company considers market conditions as well as entity-specific factors, including those factors contemplated in negotiating the agreements as well as internally developed estimates that include assumptions related to the market opportunity, estimated development costs, probability of success and the time needed to commercialize a product candidate pursuant to the license. In validating its estimated stand-alone selling prices, the Company evaluates whether changes in the key assumptions used to determine its estimated stand-alone selling prices will have a significant effect on the allocation of arrangement consideration between performance obligations.

The Company estimates the transaction price based on the amount of consideration the Company expects to be received for transferring the promised goods or services in the contract. The consideration may include both fixed consideration and variable consideration. At the inception of each arrangement that includes variable consideration, the Company evaluates the amount of the potential payments and the likelihood that the payments will be received. The Company utilizes either the most likely amount method or expected value method to estimate the transaction price based on which method better predicts the amount of consideration expected to be received. If it is probable that a significant revenue reversal would not occur, the variable consideration is included in the transaction price.

Performance obligations are promised goods or services in a contract to transfer a distinct good or service to the customer. Promised goods or services are considered distinct when: (i) the customer can benefit from the good or service on its own or together with other readily available resources and (ii) the promised good or service is separately identifiable from other promises in the contract. In assessing whether promised goods or services are distinct, the Company considers factors such as the stage of development of the underlying intellectual property, the capabilities of the customer to develop the intellectual property on their own and whether the required expertise is readily available.

For performance obligations which consist of licenses and other promises, the Company utilizes judgment to assess the nature of the combined performance obligation in order to determine whether the combined performance obligation is satisfied over time or at a point in time. The Company receives payments from customers based on billing schedules established in each contract. Up-front payments and fees are recorded as deferred revenue upon receipt or when due until the Company performs its obligations under these arrangements. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current portion of deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional. Amounts recognized as revenue, but not yet received or invoiced are generally recognized as contract assets.

Exclusive Licenses—If the license granted in the arrangement is determined to be distinct from the other promises or performance obligations identified in the arrangement, which generally include research and development services, the Company recognizes revenue from non-refundable, upfront fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. In assessing whether a license is distinct from the other promises, the Company considers relevant facts and circumstances of each arrangement, including the research and development capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the collaboration partner can benefit from the license for its intended purpose without the receipt of the remaining promise, whether the value of the license is dependent on the unsatisfied promise, whether there are other vendors that could provide the remaining promise, and whether it is separately identifiable from the remaining promise. For licenses that are combined with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition based on estimated remaining research and development costs. The calculation of the total remaining estimated research and development costs includes forecasted costs associated with internal employee efforts, materials costs, and third-party contract costs, as well as the assumed timing and duration of these activities. The recognition of revenue pursuant to collaboration arrangements is subject to these judgments made and estimates developed by management and is sensitive to changes in these assumptions. Therefore, the measure of progress, and thereby periods over which revenue should be recognized, are subject to estimates by management and may change over the course of the arrangement.

Research and Development Services—The promises under the Company's collaboration and license agreements generally include research and development services to be performed by the Company on behalf of the collaboration partner. For performance obligations that include research and development services, the Company generally recognizes revenue allocated to such performance obligations based on an appropriate measure of progress. The Company utilizes judgment to determine the appropriate method of measuring progress for purposes of recognizing revenue, which is generally an input measure, such as costs incurred. The Company evaluates the measure of progress each reporting period as described under Exclusive Licenses above. Reimbursements from the partner that are the result of a collaborative relationship with the partner, instead of a customer relationship, such as co-development activities, are generally recorded as a reduction to research and development expense.

Customer Options—The Company's arrangements may provide a collaborator with the right to certain optional purchases, such as the right to license a target either at the inception of the arrangement or within a pre-defined option period. Under these agreements, fees may be due to the Company at the inception of the arrangement as an upfront fee or payment or upon the exercise of an option to acquire a license. If an arrangement is determined to contain customer options that allow the customer to acquire additional goods or services, the goods and services underlying the customer options are not considered to be performance obligations at the outset of the arrangement, as they are contingent upon option exercise. The Company evaluates the customer options for material rights, or options to acquire additional goods or services for free or at a discount. If the customer options are determined to represent a material right, the material right is recognized as a separate performance obligation at the inception of the arrangement. The Company allocates the transaction price to material rights based on the relative stand-alone selling price, which is determined based on the identified discount, and the probability that the customer will exercise the option. Amounts allocated to a material right are not recognized as revenue until, at the earliest, the option is exercised or expires.

Milestone Payments—At the inception of each arrangement that includes milestone payments based on certain events, the Company evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The Company evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant revenue reversal would not occur. At the end of each subsequent reporting period, the Company reevaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment. If a milestone or other variable consideration relates specifically to the Company's efforts to satisfy a single performance obligation or to a specific outcome from satisfying the performance obligation, the Company generally allocates the milestone amount entirely to that performance obligation once it is probable that a significant revenue reversal would not occur.

Royalties—For arrangements that include sales-based royalties, including milestone payments based on a level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). To date, the Company has not recognized any royalty revenue resulting from any of its licensing arrangements.

Collaboration revenue—The Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of Topic 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently, generally by analogy to Topic 606. For those elements of the arrangement that are accounted for pursuant to Topic 606, the Company applies the five-step model described above.

Costs associated with License and Collaborative Arrangements

Costs associated with licenses of technology acquired as part of collaborative arrangements are expensed as incurred and are generally included in research and development expense in the consolidated statements of operations.

Accounts Receivable

The Company extends credit to customers based on its evaluation of the customer's financial condition. The Company records receivables for all billings when amounts are due under standard terms. Accounts receivable are stated at amounts due net of applicable prompt pay discounts and other contractual adjustments as well as an allowance for doubtful accounts. The Company assesses the need for an allowance for doubtful accounts by considering a number of factors, including the length of time trade accounts receivable are past due, the customer's ability to pay its obligation and the condition of the general economy and the industry as a whole. The Company will write off accounts receivable when the Company determines that they are uncollectible. In general, the Company has experienced no significant collection issues with its customers.

Stock-Based Compensation

The Company accounts for all stock-based awards granted to employees, directors, and nonemployees based on their fair value on the date of the grant and recognize compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. Stock-based payments include stock options and grants of common stock, including common stock subject to vesting. The measurement date for stock awards is the date of grant, and stock-based compensation costs are recognized as expense over the requisite service period, which is the vesting period, on a straight-line basis. The Company has issued stock options and restricted stock with performance-based vesting conditions and records the expense for these awards if the Company concludes that it is probable that the performance condition will be achieved. Stock-based compensation is classified in the accompanying consolidated statements of operations and comprehensive loss based on the function to which the related services are provided. The Company recognizes stock-based compensation expense for the portion of awards that have vested. Forfeitures are accounted for as they occur.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes options-pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and the Company's expected dividend yield. Prior to the IPO, as there was no active market for the Company's common stock, the Company estimated the fair value of common stock on the date of grant based on the then current facts and circumstances. Upon becoming a public company, the fair value of the underlying common shares equals the closing price of the Company's stock on the date of grant. As the Company's IPO was in 2020, the Company lacks a sufficient period of company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a publicly traded set of guideline companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The expected term of stock options granted to non-employees is equal to the contractual term of the option award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future. The fair value of each restricted common stock award is estimated on the date of grant based on the fair value of the Company's common stock on that same date.

Compensation expense for discounted purchases under the employee stock purchase plan is measured using the Black-Scholes model to compute the fair value of the lookback provision plus the purchase discount and is recognized as compensation expense over the offering period.

Income Taxes

The Company records income taxes in accordance with FASB Accounting Standards Codification Topic 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. Under this method, deferred income tax assets and liabilities are recognized based on future income tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities, and their respective income tax basis. Deferred income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in income tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that a valuation allowance for any income tax benefits of which future realization is not more likely than not.

The Company provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions. The tax benefits recorded are based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is "more likely than not" to be realized following resolution of any uncertainty related to the tax benefit, assuming that the matter in question will be raised by the tax authorities.

Off Balance Sheet Risk and Concentration of Credit Risk

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents, and restricted cash. The Company's cash, cash equivalents, and restricted cash are deposited in accounts at large financial institutions. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash, cash equivalents and restricted cash are held. The Company maintains its cash equivalents in money market funds that invest in U.S. Treasury securities and U.S. Treasury obligations and corporate bonds. The Company's marketable securities primarily consist of corporate bonds and U.S. Treasury securities paper, and potentially subject the Company to concentrations of credit risk. The Company has adopted an investment policy that limits the amounts the Company may invest in any one type of investment. The Company has not experienced any credit losses and does not believe it is exposed to any significant credit risk on these funds.

Comprehensive Loss

Comprehensive loss includes net loss as well as unrealized gains and losses on marketable securities and other changes in stockholders' equity (deficit) that result from transactions and economic events other than those with stockholders.

Net Loss Per Share

The Company applies the two-class method to compute basic and diluted net income (loss) per share attributable to common stockholders when it has issued shares that meet the definition of participating securities. The two-class method determines net income (loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income (loss) available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to share in the earnings as if all income (loss) for the period had been distributed. The Company's convertible preferred stock participates in any dividends declared by the Company and are therefore considered to be participating securities. The participating securities are not required to participate in the losses of the Company, and therefore during periods of loss there is no allocation required under the two-class method.

Basic net income (loss) per share attributable to common stockholders is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period, including the pre-funded warrants given their nominal exercise price. Diluted net income (loss) attributable to common stockholders is computed by adjusting net income (loss) per share attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period, including potential dilutive common shares. For purpose of this calculation, outstanding options to purchase common stock, unvested restricted stock awards, and shares of convertible preferred stock are considered potential dilutive common shares. The Company has generated a net loss in all periods presented, and therefore the basic and diluted net loss per share attributable to common stockholders are the same as the inclusion of the potentially dilutive securities would be anti-dilutive.

Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. The Company adopted ASU 2020-06 effective as of January 1, 2022. The adoption of ASU 2020-06 did not have an impact on the Company's financial statements.

Note 3. Fair Value Measurements

The following table presents information about the Company's financial assets measured at fair value on a recurring basis and indicates the level of the fair value hierarchy utilized to determine such fair values as of December 31, 2022 and December 31, 2021 (in thousands):

	Fair Value Measurements at December 31, 2022:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market fund	$ 50,551	$ —	$ —	$ 50,551
Marketable securities, current				
US treasuries	74,045	—	—	74,045
US government agencies	—	120,467	—	120,467
Corporate bonds	—	144,259	—	144,259
Marketable securities, non-current				
US treasuries	19,804	—	—	19,804
US government agencies	—	58,653	—	58,653
Corporate bonds	—	73,871	—	73,871
Restricted cash	6,130			6,130
Total	$ 150,530	$ 397,250	$ —	$ 547,780

	Fair Value Measurements at December 31, 2021:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Money market fund	$ 43,182	$ —	$ —	$ 43,182
Marketable securities, current				
US treasuries	169,481	—	—	169,481
US government agencies	32,170	—		32,170
Corporate bonds	—	192,791	—	192,791
Marketable securities, non-current				
US treasuries	17,172	—	—	17,172
US government agencies	47,363	—		47,363
Corporate bonds	—	60,652	—	60,652
Restricted cash	6,116	—	—	6,116
Total	$ 315,484	$ 253,443	$ —	$ 568,927

During the years ended December 31, 2022 and 2021, there were no transfers in or out of Level 3.

Note 4. Marketable Securities

The following table summarizes the available-for-sale debt securities held at December 31, 2022 and 2021 and (in thousands):

Description	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
December 31, 2022				
U.S. treasury securities	$ 94,958	$ 3	$ (1,111)	$ 93,850
US government agency securities	180,967	25	(1,873)	179,119
Corporate securities	220,119	25	(2,014)	218,130
Total	$ 496,044	$ 53	$ (4,998)	$ 491,099

Description	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
December 31, 2021				
U.S. treasury securities	$ 186,700	$ —	$ (45)	$ 186,655
US government agency securities	79,657	—	(125)	$ 79,532
Corporate securities	253,929	1	(488)	253,442
Total	$ 520,286	$ 1	$ (658)	$ 519,629

As of December 31, 2022, the Company held 149 securities that had been in an unrealized loss position for less than 12 months with an aggregate fair value of $330.9 million. As of December 31, 2021, the Company held 113 securities that had been in an unrealized loss position for less than 12 months with an aggregate fair value of $515.4 million. As of December 31, 2022, the Company held 36 securities that had been in an unrealized loss position for greater than 12 months with an aggregate fair value of $115.0 million. As of December 31, 2021, the Company did not hold any securities that had been in an unrealized loss position for greater than 12 months.

As of December 31, 2022 the Company had 118 securities with a fair value of $338.8 million with a contractual maturity of less than 12 months and 81 securities with a fair value of $152.3 million with a contractual maturity of greater than 12 months. As of December 31, 2021, the Company had 79 securities with a fair value of $394.4 million with a contractual maturity of less than 12 months and 37 securities with a fair value of $125.2 million with a contractual maturity of greater than 12 months.

The Company evaluates securities for other-than-temporary impairments based on quantitative and qualitative factors, and considered the decline in market value for the 185 securities in an unrealized loss position as of December 31, 2022, to be primarily attributable to the then current economic and market conditions. The Company neither intends to sell these investments nor concludes that it is more-likely-than-not that the Company will have to sell them before recovery of their carrying values. The Company also believe that it will be able to collect both principal and interest amounts due at maturity.

Note 5. Collaborations

Sanofi Collaboration Arrangement

Agreement Terms

On July 7, 2020, the Company entered into a collaboration agreement, or the Sanofi Agreement, with Sanofi, to co-develop drug candidates directed to two biological targets. Under the Sanofi Agreement, the Company granted to Sanofi a worldwide exclusive license to develop, manufacture and commercialize certain lead compounds generated during the collaboration directed against IRAK4, or Collaboration Target 1, and one additional undisclosed target in an undisclosed field of use, or Collaboration Target 2. Such license is exercisable on a collaboration target-by-collaboration target basis only after specified milestones. For compounds directed against IRAK4, the field of use includes diagnosis, treatment, cure, mitigation or prevention of any diseases, disorders or conditions, excluding oncology and immuno-oncology.

Pursuant to the Sanofi Agreement, the Company is responsible for discovery and preclinical research and conducting a Phase 1 clinical trial for at least one degrader directed against IRAK4 plus up to three backup degraders. With respect to both targets, Sanofi is responsible for development, manufacturing, and commercialization of product candidates after a specified development milestone occurs with respect to each collaboration candidate.

In addition, pursuant to the Sanofi Agreement, Sanofi will grant to the Company an exclusive option, or Opt-In Right, exercisable on a collaboration target-by-collaboration target basis that will include the right to (i) fund 50% of the United States development costs for collaboration products directed against such target in the applicable field of use and (ii) share equally in the net profits and net losses of commercializing collaboration products directed against such target in the applicable field of use in the United States. In addition, if the Company exercises the Opt-In Right, Sanofi will grant to the Company an exclusive option, applicable to each collaboration target, which upon exercise will allow the Company to conduct certain co-promotion activities in the field in the United States.

The Sanofi Agreement, unless earlier terminated, will expire on a product-by-product basis on the date of expiration of all payment obligations under the Sanofi Agreement with respect to such product. The Company or Sanofi may terminate the agreement upon the other party's material breach or insolvency or for certain patent challenges. In addition, Sanofi may terminate the Sanofi Agreement for convenience or for a material safety event upon advance prior written notice, and the

Company may terminate the Sanofi Agreement with respect to any collaboration candidate if, following Sanofi's assumption of responsibility for the development, commercialization or manufacturing of collaboration candidates with respect to a particular target, Sanofi ceases to exploit any collaboration candidates directed to such target for a specified period.

In consideration for the exclusive licenses granted to Sanofi under the Sanofi Agreement, Sanofi paid to the Company an upfront payment of $150.0 million. The Company will also be reimbursed for certain research activities for a certain backup degrader under the IRAK4 program as well as contract manufacturing costs for the lead 474 program, unless certain criteria are not met for an initial IRAK4 degrader. In addition to the upfront payment and the reimbursements, the Company is eligible to receive certain development milestone payments of up to $1.48 billion in the aggregate, of which more than $1.0 billion relates to the IRAK4 program, upon the achievement of certain developmental or regulatory events. The Company will be eligible to receive certain commercial milestone payments up to $700.0 million in the aggregate, of which $400 million relates to the IRAK4 program, which are payable upon the achievement of certain net sales thresholds. The Company will be eligible to receive tiered royalties for each program on net sales ranging from the high single digits to high teens, subject to low-single digits upward adjustments in certain circumstances.

On November 15, 2022, we entered into an Amended and Restated Collaboration and License Agreement with Sanofi, or the Amended Sanofi Agreement, which amended the Original Sanofi Agreement to revise certain research terms and responsibilities set forth under the Original Sanofi Agreement. The Amended Sanofi Agreement also specifies details around the timing and number of Phase 2 trials required under the terms of the collaboration. The Amended Sanofi Agreement became effective on December 5, 2022.

Additionally with respect to Sanofi, on December 2, 2022, Sanofi provided the Company with written notice of its intention to advance the collaboration target 1 candidate, KT-474, into Phase 2 clinical trials. The Company is entitled to receive milestone payments upon the dosing of the first Phase 2 patient(s) per indication up to a specified number of indications as further set forth in the Amended Sanofi Agreement.

Accounting Treatment

The Company analyzed the discovery and pre-clinical research activities as well as the exclusive license grants under the Sanofi Agreement and concluded that the arrangement was indicative of a vendor-customer relationship and would be accounted for under ASC 606.

The Company identified the following material promises under the arrangement: (1) research services for Collaboration Target 1, (2) research license for Collaboration Target 1, (3) exclusive license for Collaboration Target 1, (4) research services for Collaboration Target 2, (5) research license for Collaboration Target 2, (6) exclusive license for Collaboration Target 2, (7) option to extend the research term, and (8) optional research services during the development period.

The Company determined that Collaboration Targets 1 and 2 are distinct from each other. The research associated with degraders directed to each target is at different stages and the licensed field, should development activities be successful, are different from each other. As such, all promises associated with each target are considered distinct from promises associated with the other target.

The research and development services for each collaboration target were determined not to be distinct from the research license and the exclusive license and have been combined into a single performance obligation for each collaboration target. That is, two performance obligations were identified, the combined research services, research license and exclusive license for Collaboration Target 1 and the combined research services, research license and exclusive license for Collaboration Target 2. The exclusive license for each target is not distinct from the pre-clinical and clinical research and development services under the Sanofi Agreement, primarily due to the highly specialized nature of the research and novel technology involved with developing protein degraders – the pre-clinical activities and studies and first phase 1 clinical trial could not be conducted by another party in the manner required.

The option to extend the research term and optional research services during the development period were evaluated as material rights. The fees associated with each option are at or above the standalone selling price. As such, the underlying options are not performance obligations and fees associated with each option are excluded from the transaction price until the underlying option is exercised.

The Company determined the total transaction price to be $150.0 million, which consists solely of the upfront payment. All milestone payments and option payments are constrained as the achievement of such milestones are contingent upon the success of the underlying research and development activities and are generally outside the control of the Company. The reimbursement of costs for the IRAK4 backup degrader is also treated as constrained variable consideration as the criteria for reimbursement may not always be met, under which circumstances the Company would be responsible for the costs related to the backup degrader. Upon becoming unconstrained, the reimbursement consideration will be added to the transaction price and allocated to Collaboration Target 1.

The Company allocated the upfront payment to each performance obligation based on the relative standalone selling price, as follows:

- Collaboration Target 1: $120.0 million
- Collaboration Target 2: $30.0 million

The Company determined the allocation of the $150.0 million transaction price between Collaboration Target 1 and Collaboration Target 2 based on the value of the research and development for the programs from projected research and development costs for each collaboration target plus a developer's profit and the total potential milestones for each collaboration target.

The Company recognizes revenue associated with each performance obligation as the research and development services are provided using an input method, according to costs incurred as related to the research and development activities for each individual program and the costs expected to be incurred in the future to satisfy that individual performance obligation. The transfer of control occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying each performance obligation. The amounts received that have not yet been recognized as revenue are deferred as a contract liability on the Company's consolidated balance sheet and will be recognized over the remaining research and development period until the performance obligation is satisfied. Reimbursement consideration added to the transaction price will be recognized as revenue on the same pattern as Collaboration Target 1, with a cumulative catch-up upon becoming unconstrained. Pursuant to the November 15, 2022 amendment to the Sanofi Agreement, the Company reevaluated its rights and obligations under the Agreement as amended. As part of this reevaluation, the Company reassessed its accounting pursuant to the arrangement concluding that the amendment had no impact on the performance obligations nor revenue recognized in the periods presented. The performance obligations have not been fully satisfied as of December 31, 2022. During the year ended December 31, 2022, the Company recognized $36.0 million in revenue under the Sanofi Agreement, of which $19.4 million was associated with Collaboration Target 1 and $16.6 million was associated with Collaboration Target 2. Of the $36.0 million of revenue recognized in the year ended December 31, 2022, $30.5 million was recognized from amounts that were recorded in deferred revenue as of December 31, 2021. The aggregate amount of the transaction price allocated to the Company's unsatisfied performance obligations and recorded in deferred revenue at December 31, 2022 is $54.9 million. During the year ended December 31, 2021, the Company recognized $54.3 million in revenue under the Sanofi Agreement, of which $45.5 million was associated with Collaboration Target 1 and $8.8 million was associated with Collaboration Target 2. The aggregate amount of the transaction price allocated to the Company's unsatisfied performance obligations and recorded in deferred revenue at December 31, 2021 is $81.8 million. During the year ended December 31, 2020, the Company recognized $18.8 million in revenue under the Sanofi Agreement, of which $16.7 million was associated with Collaboration Target 1 and $2.1 million was associated with Collaboration Target 2. During the years ended December 31, 2022 and 2021, the Company received $6.7 million and $4.8 million, respectively, in in cost reimbursement payments under the Sanofi Agreement. The Company recorded $2.5 million and $0.1 million of unbilled accounts receivable related to reimbursable research and development costs under the Sanofi Agreement as of December 31, 2022 and December 31, 2021, respectively. The Company will recognize the deferred revenue related to the performance obligations based on a cost input method, as described, over the remaining research term, which as a result of the amended agreement, is a maximum of approximately 3.0 years as of December 31, 2022.

Any consideration related to performance-based milestones will be recognized when the risk of probable reversal is resolved, at which point the Company shall adjust the transaction price determined for the agreement accordingly and recognize revenue on a cumulative-catch up basis, reallocating the revised arrangement consideration to the performance obligations. Any consideration related to sales milestone payments and royalties will be recognized when the related milestone events or sales occur and therefore are recognized at the later of when the related sales occur or the relevant performance obligation is satisfied. As part of its evaluation of constraining the milestones, the Company considered numerous factors, including the fact that the achievement of the research and development milestones are contingent upon the results of the underlying research and development activities and are thus outside of the control of the Company.

Sanofi participated in the Company's Series B Convertible Preferred Stock offering and as a result of this, was considered a related party during the year ended December 31, 2020 but no longer are considered a related party in any other periods presented.

Vertex Agreement

On May 9, 2019 (the "Effective Date"), the Company entered into a collaboration agreement (the "Vertex Agreement") with Vertex to advance small molecule protein degraders against up to six targets. Under the Vertex Agreement, Vertex has the exclusive option to license the rights to the product candidates developed for the designated targets at which point Vertex will control development and commercialization. Pursuant to the Vertex Agreement, the Company is only responsible for discovery and preclinical research on the targets, and Vertex is responsible for development, manufacturing, and commercialization of the product candidates after it exercises its option to license. The initial research term of the collaboration is four (4) years, extendable for an additional one (1) year period upon mutual agreement by the parties and payment by Vertex of certain per-target fees.

Vertex provided the Company with a non-refundable upfront payment of $50.0 million and purchased 3,059,695 shares of the Company's Series B-1 Convertible Preferred Stock ("Series B-1") at $6.54 a share, pursuant to a separate, but simultaneously executed Share Purchase Agreement. The shares were purchased at a premium of $5.9 million, which was included in the transaction price and will be recognized as revenue over the period of performance. Vertex additionally purchased shares of the Company's common stock in a private placement concurrent with the Company's follow-on offering in which the Company received proceeds from Vertex of $2.3 million. As a result of this purchase, Vertex is considered a related party.

The Company is eligible to receive up to $170.0 million in payments per target, including development, regulatory and commercial milestones as well as option exercise payments. In addition, Vertex is obligated to pay the Company tiered royalties on future net sales on any products that may result from the Vertex Agreement. None of the payments under the Vertex Agreement are refundable. The Company may also perform follow-on research for an optioned target upon Vertex's request and at Vertex's expense.

The term of the Vertex Agreement began on the Effective Date and expires upon the expiration of all payment obligations from Vertex to Company under the Vertex Agreement or, if Vertex does not exercise any of its options, the lapse of all Vertex's option rights under the Vertex Agreement. Vertex also has the ability to terminate for convenience with prior written notice to the Company, and either party may terminate for an uncured material breach.

Accounting Treatment

The Company analyzed the joint research activities required under the Vertex Agreement and concluded that the arrangement was indicative of a vendor-customer relationship and would be accounted for under ASC 606.

The Company identified the following material promises under the arrangement: (1) the non-exclusive, royalty-free research license; (2) the research and development services to be performed on up to six targets; and (3) the option to license each of the targets for development, manufacturing, and commercialization efforts. The research and development services were determined not to be distinct from the research and development license and have been combined into a single performance obligation. The Company determined that the option to license the targets in the future was not priced at a discount, and that the option exercise fee for each target is at or above the standalone selling price for research at this stage of development; as such, the options and the underlying licenses are excluded from the performance obligation and the option exercise fees are excluded from the transaction price until the underlying option is exercised.

As part of its evaluation of constraining the research and development milestones, the Company considered numerous factors, including the fact that the achievement of the research and development milestones are contingent upon the results of the underlying research and development activities and are thus outside of the control of the Company.

At the commencement of the arrangement, two units of accounting were identified, the issuance of 3,059,695 shares of the Company's Series B-1 and the research activities the Company will perform over the Research Term. The Company determined the total transaction price to be $55.9 million, which consists of $5.9 million attributed to the premium from the Series B-1 shares sold to Vertex and the $50.0 million upfront payment. To determine the fair value of the Series B-1 issued to Vertex, the Company performed a valuation of the shares of the Company's common and preferred stock, which took into consideration recent financings, and the Company's recent development and future exit strategies, as well as a discount for lack of marketability.

The Company recognizes revenue associated with the performance obligation as the research and development services are provided using an input method, according to the costs incurred as related to the research and development activities on each program and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control

occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation. The amounts received that have not yet been recognized as revenue are deferred as a contract liability on the Company's consolidated balance sheet and will be recognized over the remaining research and development period until the performance obligation is satisfied. The performance obligation has not been fully satisfied as of December 31, 2022. During the years ended December 31, 2022, 2021 and 2020, the Company recognized $10.8 million, $18.5 million, $15.2 million, respectively, in revenue under the Vertex Agreement. All $10.8 million revenue recognized during the year ended December 31, 2022 was recognized from amounts that were recorded in deferred revenue as of December 31, 2021. The aggregate amount of the transaction price allocated to the Company's unsatisfied performance obligation and recorded in deferred revenue at December 31, 2022 and 2021 is $8.4 million and $19.2 million, respectively. The Company will recognize the deferred revenue related to the research and development services based on a cost input method, over the remaining research term, which is a maximum of approximately 0.5 year as of December 31, 2022.

Any consideration related to sales milestone payments (including royalties) will be recognized when the related milestone events or sales occur and therefore are recognized at the later of when the related sales occur or the relevant performance obligation is satisfied.

Compound Collaboration

In October 2017, the Company entered into a collaboration agreement (the "Collaboration") with a pharmaceutical company to jointly identify, research and conduct preclinical development of collaboration compounds against specified collaboration targets to identify drug candidates. Under the terms of the Collaboration, both parties provided one another with a non-exclusive, royalty-free, sub-licensable research and development license to each party's intellectual property to develop five agreed-upon collaboration targets, as well as an exclusive, royalty-bearing development and commercialization license to sell any licensed products that stem from such research. The parties also have the ability to nominate additional collaboration targets if agreed-upon, as long as there are no more than five targets at any given time.

In exchange for the non-exclusive license rights, the Company provided the pharmaceutical company with an equity grant and is required to make tiered royalty payments based on net sales of all products licensed under the agreement in the low single-digit percentages. In conjunction with the Collaboration, the Company initially issued 886,305 Series A Preferred Units ("Series A Preferred Units") to the pharmaceutical company. On November 1, 2018, these Series A Preferred Units were exchanged on a one-for-one basis for shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock"). These shares vested in equal installments over three years. The Company recorded expense over the vesting period based on the fair value of the shares under the Collaboration. The Company recorded $0.3 million to research and development expense related to the vesting of 166,183 shares of Series A Preferred Stock during the year ended December 31, 2020. As of December 31, 2020, all shares under the Collaboration were fully vested and all expense had been recognized.

The royalty payments are contingent and as such are not being recorded until incurred. The Company determined that the license is representative of an in-process research and development asset, with no future alternative use. As such, the Company records the expense related to the vesting of shares as research and development expense in the Company's consolidated statements of operations and comprehensive loss.

The Collaboration was terminated by the parties effective April 27, 2022.

The following table presents the changes in accounts receivable, contract assets and liabilities for the year ended December 31, 2022 (in thousands)

	Balance at December 31, 2021	Additions	Deductions	Balance at December 31, 2022
Accounts receivable and contract assets:				
Billed receivables – Sanofi	$ —	$ 6,650	$ (6,650)	$ —
Unbilled receivables – Sanofi	135	9,052	(6,650)	2,537
Total accounts receivable and contract assets	$ 135	$ 15,702	$ (13,300)	$ 2,537
Contract Liabilities:				
Deferred Revenue – Vertex	$ 19,212	$ —	$ (10,813)	$ 8,399
Deferred Revenue – Sanofi	81,822	9,052	(36,013)	54,861
Total contract liabilities	$ 101,034	$ 9,052	$ (46,826)	$ 63,260

Note 6. Property and equipment

Property and equipment consists of the following as of December 31, 2022 and 2021 (in thousands):

	December 31, 2022	December 31, 2021
Lab and office equipment under and financing right-of-use asset	$ 5,475	$ 3,969
Lab equipment	4,383	2,805
Computer equipment	357	273
Furniture & fixtures	1,064	943
Leasehold improvements	7,802	7,741
Assets not yet in service	1,146	66
Total property and equipment	20,227	15,797
Less accumulated depreciation	(6,893)	(3,916)
Property and equipment, net	$ 13,334	$ 11,881

Depreciation expense for the years ended December 31, 2022, 2021 and 2020 was $3.0 million, $2.4 million and $1.8 million, respectively.

Included in property and equipment is lab and office equipment right-of-use assets under financing leases with a cost basis of $5.5 million and $4.0 million and accumulated amortization expense of $2.7 million and $1.5 million as of December 31, 2022 and 2021, respectively.

Amortization expense related to right-of-use assets was $1.2 million, $0.9 million and $0.7 million the years ended December 31, 2022, 2021 and 2020 and is included in depreciation expense.

Note 7. Leases

In February 2018, the Company entered into a noncancelable facility lease agreement (the “Lease”) for 9,836 square feet of research and development and office space in Cambridge, Massachusetts. In March 2020, the Company signed a termination agreement for this lease which was determined to be a lease modification that resulted in a reduction of the right-of-use asset and liability of $2.2 million. The lease termination was effective July 31, 2020 and the Company no longer has any obligations under the Lease.

In April 2019, the Company entered into a facility sublease agreement (the “Sublease”) for 1,471 square feet of office space in Cambridge, Massachusetts. The term of the lease began on June 24, 2019 and terminated on June 30, 2020, and following termination, the Company had no further obligations under the Sublease. The Sublease required the Company to share in prorated operating expenses and property taxes based upon actual amounts incurred; those amounts were considered variable lease costs and, therefore, are not included in the measurement of the lease and are instead recognized to expense as incurred.

In October 2019, the Company entered into a noncancelable facility lease agreement (the “the 2019 Lease”) for 34,522 square feet of research and development and office space in Watertown, Massachusetts. The term of the 2019 Lease is 120 months and expires on March 31, 2030. The 2019 Lease has an option to be extended for an additional five years. The lease is not reasonably certain to be extended and as such the additional term is not included in the measurement of the lease. The 2019 Lease includes a rent escalation clause, and rent expense is being recorded on a straight-line basis. The Company received a tenant incentive allowance of $5.5 million in 2020 as the tenant improvements were completed all of which has been collected from its landlord as of December 31, 2022. In accordance with the lease agreement, the Company is required to maintain a security deposit and provided a letter of credit to the landlord for $1.6 million, which is recorded in restricted cash as of December 31, 2022 and 2021.

In December 2021, the Company entered into a noncancelable lease (the "2021 Lease") for 100,624 square feet of office and laboratory space in Watertown, Massachusetts, which the Company expects to begin occupying in November 2023. The 2021 Lease is subject to base rent of $0.8 million per month beginning two months after the commencement date, plus the Company’s ratable share of taxes, maintenance and other operating expenses. Base rent is subject to a 3% annual increase over the lease term of approximately 134 months following the commencement date. The Company also has two consecutive options

to extend the term of the lease for five years each at then-market rates. The 2021 Lease also includes a tenant improvement allowance of approximately $20.1 million. In connection with the signing of the 2021 Lease, the Company issued a letter of credit for $4.5 million which is classified as restricted cash as of December 31, 2022. The Company also paid first month's rent of $0.8 million upon execution of the 2021 Lease in December 2021 which is classified as other non-current assets as of December 31, 2022. As of December 31, 2022, the Company has not taken control of the space associated with the 2021 Lease and therefore, the Company has not recorded a right of use asset or lease liability related to the space as of December 31, 2022.

The Company's financing lease obligations consist of certain property and equipment financed through capital leases.

The components of the lease costs for the years ended December 31, 2022 and 2021 (in thousands):

	Year ended December 31,	
	2022	2021
Operating lease costs	$ 2,095	$ 2,095
Financing lease costs:		
Amortization of right-to-use assets, financing leases	1,184	906
Interest expense for financing lease liabilities	179	158
Variable lease costs	1,192	1,015
Total lease costs	$ 4,650	$ 4,174

Supplemental cash flow information relating to the Company's leases for the years ended December 31, 2022 and 2021 were as follows (in thousands):

	Year ended December 31,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 2,581	$ 2,691
Operating cash flows used in finance leases	$ 1,130	$ 933
Financing cash flows used in finance leases	$ 179	$ 158

Weighted average remaining lease terms and discount rates as of December 31, 2022 and 2021 were as follows:

	Year ended December 31,	
	2022	2021
Remaining lease term:		
Operating lease	7.3 years	8.3 years
Financing lease	2.5 Years	2.4 Years
Discount Rate:		
Operating lease	10.5%	10.5%
Financing lease	8.5%	8.8%

The undiscounted future lease payments for operating and finance leases as of December 31, 2022, were as follows (in thousands):

Fiscal Year	Operating Leases	Financing Leases
2023	$ 2,659	$ 1,463
2024	2,732	839
2025	2,814	402
2026	2,898	133
2027	2,985	99
Thereafter	7,041	—
Total minimum lease payments	21,129	2,936
Less amounts representing interest or imputed interest	(6,448)	(282)
Present value of lease liabilities	$ 14,681	$ 2,654

Excluded from the table above are all future payments related to the 2021 Lease.

Note 8. Accrued Expenses

Accrued expenses consist of the following as of December 31, 2022 and 2021 (in thousands):

	Year ended December 31,	
	2022	2021
Research and development expenses	$ 16,975	$ 15,169
Payroll and payroll-related	8,149	6,033
Professional fees	1,971	1,417
Other	407	352
Accrued expenses	$ 27,502	$ 22,971

Note 9. Other Commitments and Contingencies

Legal Proceedings

In the ordinary course of business, the Company may be subject to legal proceedings, claims and litigation as the Company operates in an industry susceptible to patent legal claims. The Company accounts for estimated losses with respect to legal proceedings and claims when such losses are probable and estimable. Legal costs associated with these matters are expensed when incurred. The Company is not currently a party to any legal proceedings.

Indemnification Arrangements

As permitted under Delaware law, the Company has agreements whereby it indemnifies its investors, employees, officers, and directors (collectively, the "Indemnified Parties") for certain events or occurrences while the Indemnified Parties are, or were serving, at its request in such capacity. The term of the indemnification period is for the Indemnified Parties' lifetime. The Company believes the estimated fair value of these indemnification agreements is minimal. The Company enters into standard indemnification agreements in the ordinary course of business. Pursuant to these agreements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified party for losses suffered or incurred by the indemnified party, generally the Company's business partners or customers, in connection with any U.S. patent or any copyright or other intellectual property infringement claim by any third party with respect to the Company's products. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited. The Company is not aware of any claims under indemnification arrangements, and it has not accrued any liabilities related to such obligations as of December 31, 2022, 2021 or 2020.

Note 10. Convertible Preferred Stock

Immediately prior to the IPO, the Company's Certificate of Incorporation authorized a total of 52,483,788 shares of convertible preferred stock with a par value of $0.0001 per share, of which 3,000,000 shares were designated as Series Seed Preferred Stock, 14,886,305 shares were designated as Series A Preferred Stock, 16,009,845 shares were designated as Series B Preferred Stock, 3,059,695 shares were designated as Series B-1 Preferred Stock and 15,527,943 shares were designated as Series C Preferred Stock. The Series A, Series B, Series B-1 and Series C convertible preferred stocks will be collectively referred to as the Convertible Preferred Stock.

In January 2020, the Company issued 1,182,265 shares of Series B Preferred Stock at $4.06 per share to complete the second closing of the Series B Preferred Stock issuance for total proceeds of $4.8 million. The issuance costs related to the second tranche were insignificant.

In March 2020, the Company executed a Series C Preferred Stock Purchase Agreement (the "Series C SPA") to issue 13,539,141 shares of Series C Preferred Stock at a purchase price of $6.5366 per share for a total consideration of $88.2 million, net of issuance costs of $0.3 million. In conjunction with the Series C SPA, the Company exchanged 1,988,802 shares of Series A Preferred Stock for an equal number of shares of Series C Preferred Stock related to a transaction amongst investors. This resulted in a total issuance of 15,527,943 shares of Series C Preferred Stock. The fair value of the shares of Series C Preferred Stock issued exceeded the carrying value of the shares of Series A Preferred Stock exchanged by $9.1 million, which was

recognized as a deemed dividend through a reduction of $2.3 million to additional paid-in capital and an increase of $6.7 million to the accumulated deficit. The $9.1 million deemed dividend increased the net loss for the year ending December 31, 2020 to arrive at net loss attributable to common stockholders in the calculation of earnings per share.

In connection with the Company's August 25, 2020 IPO all issued and outstanding Convertible Preferred Stock of 50,439,595 were converted to 31,625,534 shares of the Company's common stock and were no longer issued or outstanding as of December 31, 2020.

Note 11. Equity-Based Compensation

2018 Stock Option and Grant Plan

In November 2018, the Company adopted, and its stockholders approved, the 2018 Stock Option and Grant Plan (the "2018 Plan"), which provides for the granting of stock options and other equity-based awards at the discretion of the Board of Directors or any subcommittee of the Board of Directors to the Company's employees, officers, directors, and independent contractors. No further grants will be made under the 2018 Plan. However, the 2018 Plan will continue to govern outstanding equity awards granted thereunder. To the extent outstanding options granted under the 2018 Plan are cancelled, forfeited or otherwise terminated without being exercised and would otherwise have been returned to the share reserve under the 2018 Plan, the number of shares underlying such awards will be available for future grant under the 2020 Stock Option and Incentive Plan.

2020 Stock Option and Incentive Plan

In August 2020, the Company and its stockholders approved the 2020 Stock Option and Incentive Plan (the "2020 Plan"), which became effective on August 20, 2020. The 2020 Plan replaced the 2018 Plan as the Company's Board of Directors has determined not to make additional awards under the 2018 Plan following the closing of the Company's IPO. The 2020 Plan allows the Company to make equity-based and cash-based incentive awards to its officers, employees, directors and consultants. The Company has initially reserved 4,457,370 shares of its common stock for the issuance of awards under the 2020 Plan, which includes the shares of common stock remaining available for issuance under its 2018 Plan as of the business day immediately prior to the effective date of the registration statement. The 2020 Plan provides that the number of shares reserved and available for issuance will automatically increase on January 1, 2021 and each January 1 thereafter, by 4% of the Company's outstanding number of shares of common stock on the immediately preceding December 31, or such lesser number of shares as determined by the Company's compensation committee. These limits are subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization. As of December 31, 2022, there were an aggregate of 3,744,415 shares remaining available for future grants.

2020 Employee Stock Purchase Plan

In August 2020, the Company and its stockholders approved the 2020 Employee Stock Purchase Plan (the "2020 ESPP"), which became effective August 20, 2020. The 2020 ESPP initially reserves and authorizes the issuance of up to a total of 445,653 shares of common stock to participating employees. The 2020 ESPP provides that the number of shares reserved and available for issuance will automatically increase on January 1, 2021 and each January 1 thereafter through January 1, 2030, by the lessor of (i) 438,898 shares of common stock, (ii) 1% of the Company's outstanding number of shares of common stock on the immediately preceding December 31 or (iii) such lesser number of shares of common stock as determined by the administrator of the 2020 ESPP. The number of shares reserved under the 2020 ESPP is subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization. As of December 31, 2022, there were an aggregate of 1,208,252 shares remaining available for future grants.

Stock Options

A summary of stock option activity under the 2020 Plan during the year ended December 31, 2022 is as follows (in thousands except share and per share data):

	Number of Options Outstanding	Weighted Average Strike Price per Option	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2021	6,239,182	$ 23.91	8.56	$ 246,933
Granted	1,761,441	35.33		
Exercised	(601,594)	5.24		
Forfeited	(641,740)	33.89		
Outstanding at December 31, 2022	6,757,289	$ 27.60	8.01	$ 55,934
Exercisable at December 31, 2022	3,505,520	$ 23.27	7.61	$ 38,500

The intrinsic value of stock options exercised during the years ended December 31, 2022, 2021 and 2020 was $15.8 million, $67.6 million and $1.6 million, respectively.

The weighted-average fair value of options granted during the years ended December 31, 2022, 2021 and 2020 was $20.18, $29.95 and $8.35 per share, respectively.

As of December 31, 2022, the total unrecognized stock-based compensation expense for unvested stock options was $57.8 million, which is expected to be recognized over 2.1 years.

The following table outlines equity-based compensation expense for stock options for the years ended December 31, 2022, 2021 and 2020:

	Year ending December 31,		
	2022	2021	2020
Research and development	$ 16,388	$ 11,161	$ 2,084
General and administrative	16,941	12,628	2,864
Total equity-based compensation	$ 33,329	$ 23,789	$ 4,948

The weighted-average assumptions that the Company used in the Black-Scholes option pricing model to determine the grant date fair value of stock options granted to employees and non-employees for the years ended December 31, 2022, 2021 and 2020:

	Year ending December 31,		
	2022	2021	2020
Expected term (in years)	5.86	5.87	6.09
Volatility	62%	66%	70%
Risk-free interest rate	2.1%	0.9%	0.5%
Dividend yield	0.0%	0.0%	0.0%

Restricted Common Stock

The Company has granted shares of restricted common stock with service-based and performance-based vesting conditions. A summary of restricted stock activity under the 2018 Plan during the year ended December 31, 2022 is as follows:

	Number of Units Outstanding	Grant Date Fair Value per Share
Unvested at December 31, 2021	37,745	$ 1.60
Granted	295,892	24.01
Vested	(36,866)	1.60
Forfeited	(14,928)	29.93
Unvested at December 31, 2022	281,843	$ 23.64

The Company granted 295,892 and 12,500 shares of restricted stock during the years ended December 31, 2022 and December 31, 2021, respectively. There were no grants of restricted stock for the year ended December 31, 2020. The Company did not grant any restricted stock to consultants for the year ended December 31, 2022 and granted 12,500 shares of restricted common stock to consultants which were fully vested at the time of grant during the year ended December 31, 2021.

As of December 31, 2022, the total unrecognized stock-based compensation expense for unvested restricted stock was $5.3 million, which is expected to be recognized over 2.5 years.

During the years ended December 31, 2022, 2021 and 2020, the Company recorded stock-based compensation expense for restricted stock of $1.4 million, $0.9 million and $0.2 million, respectively. During the years ended December 31, 2022, 2021 and 2020, the Company recorded stock-based compensation expense of $1.1 million, $0.3 million and $0.2 million, respectively, within research and development. During the years ended December 31, 2022, 2021 and 2020, the Company recorded stock-based compensation expense of $0.3 million, $0.6 million, and an immaterial amount, respectively, within general and administrative.

Equity-Based Compensation Expense

Total equity-based compensation expense recorded as research and development and general and administrative expenses for employees, directors, and non-employees during the years ended December 31, 2022, 2021 and 2020 is as follows (in thousands):

	Years ending December 31,		
	2022	2021	2020
Research and development	$ 18,008	$ 11,731	$ 2,305
General and administrative	17,472	13,241	2,885
Total equity-based compensation	$ 35,480	$ 24,972	$ 5,190

Note 12. Related-Party Transactions

In addition to the collaboration discussed in Note 5, the Company had the following related party transactions for the periods presented in the accompanying consolidated financial statements, which has not otherwise been discussed in these notes to the consolidated financial statement. The Company made payments of $0.8 million to an investor for rent expenses for the year ended December 31, 2020. No payments were made to related parties during the years ended December 31, 2022 and 2021.

Note 13. Income Taxes

The Company records income tax expense related to profits realized by its U.S. operating subsidiaries. For the years ended December 31, 2022, 2021 and 2020, no income tax expense was recorded due the group's net operating loss ("NOL") and full valuation allowance.

The rate reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate for the years ended December 31, 2022, 2021 and 2020 are as follows:

	December 31,		
	2022	2021	2020
Tax effect at statutory rate	21.0%	21.0%	21.0%
State taxes	6.4%	10.6%	5.8%
Stock compensation	0.1%	9.6%	(0.9)%
Permanent differences	0.0%	0.0%	0.0%
Federal research and development credits	1.5%	7.7%	3.6%
Other	(1.8)%	(5.1)%	(0.7)%
Change in valuation allowance	(27.2)%	(43.8)%	(28.8)%
Total	0.0%	0.0%	0.0%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows (in thousands):

	December 31,	
	2022	2021
Deferred Tax Assets:		
Federal net operating loss carryforwards	$ 32,320	$ 25,957
State net operating loss carryforwards	8,835	6,651
Research and development credit carryforwards	17,581	14,611
Lease liabilities	4,011	4,285
Deferred revenue	16,315	27,130
Accruals and reserves, stock and other	10,350	5,156
Capitalized Research and Development	36,435	0
Total deferred tax assets	$ 125,847	$ 83,790
Valuation allowance	$ (120,096)	$ (77,990)
Deferred tax assets	$ 5,751	$ 5,800
Fixed and intangible assets	(2,187)	(1,941)
Right-of-use assets	(3,564)	(3,859)
Net deferred tax asset	$ —	$ —

As required by ASC 740, management of the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are composed principally of NOL carryforwards and research and development credit carryforwards. Management has determined that it is more likely than not that the Company will not recognize the benefits of its federal and state deferred tax assets, and, as a result, a valuation allowance of $120.1 million and $78.0 million has been established at December 31, 2022 and 2021, respectively. During 2022, the valuation allowance increased by $42.1 million primarily due to the increase in the Company's NOL during the period.

Beginning in 2022, Tax Cuts and Jobs Act (TCJA) amended Section 174 and now requires U.S.-based and non-U.S-based research and experimental (R&E) expenditures to be capitalized and amortized over a period of five or 15 years, respectively, for amounts paid in tax years starting after December 31, 2021. Prior to the TCJA amendment, Section 174 allowed taxpayers to immediately deduct R&E expenditures in the year paid or incurred. The Company has applied this required change in accounting method beginning in 2022 and the computation may be adjusted pending future IRS guidance.

The Company has incurred NOLs from inception. At December 31, 2022 and 2021, the Company has federal NOL carryforwards of approximately $153.9 million and $123.6 million, respectively, and state NOL carryforwards of approximately $139.8 million and $105.2 million, respectively. Of the federal net operating loss carryovers, $144.1 million is not subject to expiration and the remaining federal and state NOLs begin to expire in 2036. These loss carryforwards are subject to review and possible adjustment by the appropriate taxing authorities.

Utilization of net operating loss and research and development credit carryforwards may generally be subject to limitation under Sections 382 and 383 of the Internal Revenue Code due to ownership changes that have occurred previously, or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development credit carryforwards that can be utilized annually to offset any post-ownership change taxable income and tax, respectively. The latest Section 382 study was performed through December 31, 2022, noting that historic ownership changes have likely occurred. Nonetheless, the Company has determined that as of December 31, 2022 the prospective utilization of all net operating loss and tax credit carryforwards generated from inception through December 31, 2022, and therefore the corresponding Federal and Massachusetts deferred tax assets, should not be restricted by Sections 382 and 383, although ownership changes after December 31, 2022 could impact the Company’s ability to utilize these tax attributes in the future.

At December 31, 2022 and 2021 the Company had federal research and development credit carryforwards of $12.7 million and $10.4 million, respectively, and state research and development credit carryforwards of $6.1 million and $5.2 million, respectively. These carryforwards begin to expire in 2031.

The Company follows the provisions of ASC 740-10, “Accounting for Uncertainty in Income Taxes,” which specifies how tax benefits for uncertain tax positions are to be recognized, measured, and recorded in financial statements; requires certain disclosures of uncertain tax matters; specifies how reserves for uncertain tax positions should be classified on the balance sheet; and provides transition and interim period guidance, among other provisions. As of December 31, 2022, and 2020, the Company has not recorded any amounts for uncertain tax positions. The Company’s policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of income. As of December 31, 2022 and 2021, the Company had no reserves for uncertain tax positions. For the years ended December 31, 2022 and 2021, no estimated interest or penalties were recognized on uncertain tax positions.

The Company has not conducted a study of its research and development credit carryforwards. This study may result in an adjustment to research and development credit carryforwards; however, until a study is completed, and any adjustment is known, no amounts are being presented as an uncertain tax position. A full valuation allowance has been provided against the Company’s research and development credits and, if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the balance sheets or statements of operations if an adjustment were required.

The Company's tax returns for the years ended December 31, 2019 to December 31, 2022 remain open and subject to examination by the Internal Revenue Service and state taxing authorities.

Note 14. Net Loss per Share

Net Loss per Share

Basic and diluted loss per share is computed by dividing net loss by the weighted-average common shares outstanding for the period, including the pre-funded warrants given their nominal exercise price (in thousands, except for share and per share data):

	December 31,		
	2022	2021	2020
Numerator:			
Net loss	$ (154,808)	$ (100,217)	$ (45,593)
Deemed dividend from exchange of convertible preferred stock	—	—	(9,050)
Net loss attributable to common stockholders	$ (154,808)	$ (100,217)	$ (54,643)
Denominator:			
Weighted average common shares outstanding, basic and diluted	53,933,229	47,989,023	17,349,582
Net loss per share, basic and diluted	$ (2.87)	$ (2.09)	$ (3.15)

The Company's potentially dilutive securities, which include convertible preferred stock, restricted stock, and stock options, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company excluded the following from the computation of diluted net loss per share attributable to common stockholders at December 31, 2022, 2021 and 2020 because including them would have had an anti-dilutive effect:

	December 31,		
	2022	2021	2020
Unvested Restricted Stock	281,843	37,745	110,104
Options to purchase Common Stock	6,757,289	6,239,182	1,580,924
Total	7,039,132	6,276,927	1,691,028

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Management's Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their control objectives.

Our management, with the participation of our Chief Executive Officer, who serves as our principal executive officer, and our Chief Financial Officer, who serves as our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022, the end of the period covered by this Annual Report on Form 10-K. Based upon such evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of such date.

Internal Control Over Financial Reporting

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, a company's principal executive officer and principal financial officer, or persons performing similar functions, and effected by a company's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of a company's assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of the company's management and directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of and with the participation of our principal executive officer and principal financial officer, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013 framework). Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2022.

Our independent registered public accounting firm has issued an attestation report of our internal control over financial reporting. This report appears below.

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control over Financial Reporting

We have audited Kymera Therapeutics, Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Kymera Therapeutics, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and our report dated February 23, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Boston, Massachusetts
February 23, 2023

Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended December 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item 10 will be included in our definitive proxy statement to be filed with the SEC with respect to our 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this Item 11 will be included in our definitive proxy statement to be filed with the SEC with respect to our 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item 12 will be included in our definitive proxy statement to be filed with the SEC with respect to our 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item 13 will be included in our definitive proxy statement to be filed with the SEC with respect to our 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this Item 14 will be included in our definitive proxy statement to be filed with the SEC with respect to our 2023 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) *Financial Statements*

For a list of the consolidated financial statements included herein, see Index to the Consolidated Financial Statements on page F-1 of this Annual Report on Form 10-K, which is incorporated into this Item by reference.

(b) *Exhibits*

Exhibit Number	Description
3.1	Fourth Amended and Restated Certificate of Incorporation of Kymera Therapeutics, Inc. (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 25, 2020).
3.2	Second Amended and Restated Bylaws of Kymera Therapeutics, Inc. (Incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 25, 2020).
4.1	Specimen Common Stock Certificate (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-240264) filed with the Securities and Exchange Commission on August 17, 2020).
4.2	Second Amended and Restated Investors' Rights Agreement among the Registrant and certain of its stockholders, effective as of March 11, 2020 (Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-240264) filed with the Securities and Exchange Commission on July 31, 2020).
4.3	Description of Securities (Incorporated by reference to Exhibit 4.3 to the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 11, 2021).
4.4	Form of Pre-Funded Warrant (Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 19, 2022).
10.1#	2018 Stock Option and Grant Plan, and form of award agreements thereunder (Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-240264) filed with the Securities and Exchange Commission on July 31, 2020).
10.2#	2020 Stock Option and Incentive Plan, and form of award agreements thereunder (Incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1/A (File No. 333-240264) filed with the Securities and Exchange Commission on August 17, 2020).
10.3#	Amended and Restated Non-Employee Director Compensation Policy dated January 17, 2022.
10.4#	Senior Executive Cash Incentive Bonus Plan (Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1/A (File No. 333-240264) filed with the Securities and Exchange Commission on August 13, 2020).
10.5#	Amended and Restated 2020 Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 5, 2020).
10.6	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers (Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1/A (File No. 333-240264) filed with the Securities and Exchange Commission on August 17, 2020).
10.7	Lease between the Registrant and Arsenal Yards Holding LLC, dated as of August 15, 2019 (Incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 (File No. 333-240264) filed with the Securities and Exchange Commission on July 31, 2020).

10.8#	Form of Amended and Restated Employment Agreement (Incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1/A (File No. 333-240264) filed with the Securities and Exchange Commission on August 13, 2020).
10.9†	Master Collaboration Agreement between the Registrant and Vertex Pharmaceuticals Incorporated, dated as of May 9, 2019 (Incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1 (File No. 333-240264) filed with the Securities and Exchange Commission on July 31, 2020).
10.10†	Amended and Restated Collaboration and License Agreement between the Registrant and Genzyme Corporation, dated as of November 15, 2022.
10.11	First Amendment to Master Collaboration Agreement between the Registrant and Vertex Pharmaceuticals Incorporated, dated as of August 27, 2020 (Incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 5, 2020).
10.12†	Second Amendment to Master Collaboration Agreement between the Registrant and Vertex Pharmaceuticals Incorporated, dated as of October 21, 2021.
10.13	Lease between the Registrant and ARE-MA REGION NO. 75, LLC dated as of December 20, 2021.
10.14	Securities Purchase Agreement, dated August 18, 2022, by and among the Registrant and the persons party thereto (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on form 8-K filed with the Securities and Exchange Commission on August 19, 2022).
10.15	Registration Rights Agreement, dated August 18, 2022, by and among the Registrant and the persons party thereto (Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 19, 2022).
21.1	List of Subsidiaries of Registrant.
23.1	Consent of Ernst & Young LLP, independent registered public accounting firm.
24.1	Power of Attorney (included on signature page to this Annual Report on Form 10-K).
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

+ This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent specifically incorporated by reference into such filing.

# Indicates a management contract or any compensatory plan, contract or arrangement.

† Portions of this exhibit (indicated by asterisks) were omitted in accordance with the rules of the Securities and Exchange Commission.

(c) Financial Statement Schedules

No financial statements have been submitted because they are not required or are not applicable or because the information required is included in the consolidated financial statements or the notes thereto.

Item 16. Form 10-K Summary

Not Applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Kymera Therapeutics, Inc.

Date: February 23, 2023

By: /s/ Nello Mainolfi, Ph.D.

Nello Mainolfi, Ph.D.
President and Chief Executive Officer

Each person whose individual signature appears below hereby constitutes and appoints Nello Mainolfi, Ph.D. and Bruce Jacobs, CFA, MBA and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Nello Mainolfi, Ph.D. Nello Mainolfi, Ph.D.	**President and Chief Executive Officer** (Principal Executive Officer)	February 23, 2023
/s/ Bruce Jacobs, CFA, MBA Bruce Jacobs, CFA, MBA	**Chief Financial Officer** (Principal Financial and Accounting Officer)	February 23, 2023
/s/ Bruce Booth, DPhil Bruce Booth, DPhil	Chair of the Board of Directors	February 23, 2023
/s/ Jeff Albers, MBA Jeff Albers, MBA	Director	February 23, 2023
/s/ Pamela Esposito, PhD Pamela Esposito, PhD	Director	February 23, 2023
/s/ Joanna Horobin, MB, ChB Joanna Horobin, MB, ChB	Director	February 23, 2023
/s/ Gorjan Hrustanovic, PhD Gorjan Hrustanovic, PhD	Director	February 23, 2023
/s/ John M. Maraganore, PhD John M. Maraganore, PhD	Director	February 23, 2023
/s/ Leigh Morgan Leigh Morgan	Director	February 23, 2023
/s/ Elena, Ridloff, CFA Elena Ridloff, CFA	Director	February 23, 2023
/s/ Victor Sandor Victor Sandor	Director	February 23, 2023

KYMERA THERAPEUTICS, INC.

AMENDED AND RESTATED

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

The purpose of this Non-Employee Director Compensation Policy (the "Policy") of Kymera Therapeutics, Inc. (the "Company") is to provide a total compensation package that enables the Company to attract and retain, on a long-term basis, high-caliber directors who are not employees or officers of the Company or its subsidiary ("Outside Directors"). This Policy will become effective as of the effective time of the registration statement for the Company's initial public offering of equity securities (the "Effective Date"). In furtherance of the purpose stated above, all Outside Directors shall be paid compensation for services provided to the Company as set forth below:

Cash Retainers

Annual Retainer for Board Membership: $40,000 for general availability and participation in meetings and conference calls of our Board of Directors, to be paid quarterly in arrears, pro-rated based on the number of actual days served by the director during such calendar quarter. No additional compensation will be paid for attending individual meetings of the Board of Directors.

Additional Annual Retainer for Chairperson of the Board:	$30,000
Additional Annual Retainers for Committee Membership:	
Audit Committee Chair:	$15,000
Audit Committee member:	$7,500
Compensation Committee Chair:	$10,000
Compensation Committee member:	$5,000
Nominating and Corporate Governance Committee Chair:	$10,000
Nominating and Corporate Governance Committee member:	$5,000

Chair and committee member retainers are in addition to retainers for members of the Board of Directors. No additional compensation will be paid for attending individual committee meetings of the Board of Directors.

Equity Retainers

Initial Award: An initial, one-time stock option award (the "Initial Award") to purchase 24,000 shares will be granted to each new Outside Director upon his or her election to the Board of Directors, which shall vest in 36 equal monthly installments over three years from the date of grant, provided, however, that all vesting shall cease if the director resigns from the Board of Directors or otherwise ceases to serve as a director of the Company. The Initial Award shall expire ten years from the date of grant, and shall have a per share exercise price equal to the Fair Market Value (as defined in the Company's 2020 Stock Option and Incentive Plan) of the Company's common stock on the date of grant. This Initial Award applies only to Outside Directors who are first elected to the Board of Directors subsequent to the Effective Date.

Annual Award: On each date of each Annual Meeting of Stockholders of the Company following the Effective Date (the "Annual Meeting"), each continuing Outside Director, other than a director receiving an Initial Award, will receive an annual stock option award (the "Annual Award") to purchase 12,000 shares, which shall vest in full upon the earlier of (i) the first anniversary of the date of grant or (ii) the date of the next Annual Meeting; provided, however, that all vesting shall cease if the director resigns from the Board of Directors or otherwise ceases to serve as a director, unless the Board of Directors determines that the circumstances warrant continuation of vesting. Such Annual Award shall expire ten years from the date of grant, and shall have a per share exercise price equal to the

Fair Market Value (as defined in the Company's 2020 Stock Option and Incentive Plan) of the Company's common stock on the date of grant.

Value: For purposes of this Policy, "Value" means with respect to (i) any stock option award, the grant date fair value of the option (i.e., Black-Scholes Value) determined in accordance with the reasonable assumptions and methodologies employed by the Company for calculating the fair value of options under Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") Topic 718; and (ii) any award of restricted stock or restricted stock units the product of (A) the average closing market price on Nasdaq Global Market (or such other market on which the Company's common stock is then principally listed) of one share of the Company's common stock over the trailing 30-day period ending on the last day of the month immediately prior to the month of the grant date, and (B) the aggregate number of shares of common stock underlying such award.

Sale Event Acceleration: All outstanding Initial Awards and Annual Awards held by an Outside Director shall become fully vested and exercisable upon a Sale Event (as defined in the Company's 2020 Stock Option and Incentive Plan).

Expenses

The Company will reimburse all reasonable out-of-pocket expenses incurred by non-employee directors in attending meetings of the Board of Directors or any committee thereof.

Maximum Annual Compensation

The aggregate amount of compensation, including both equity compensation and cash compensation, paid by the Company to any Outside Director in a calendar year for services as an Outside Director period shall not exceed $750,000; provided, however, that such amount shall be $1,000,000 for the calendar year in which the applicable Outside Director is initially elected or appointed to the Board of Directors; (or such other limits as may be set forth in Section 3(b) of the Company's 2020 Stock Option and Incentive Plan or any similar provision of a successor plan). For this purpose, the "amount" of equity compensation paid in a calendar year shall be determined based on the grant date fair value thereof, as determined in accordance with FASB ASC Topic 718 or its successor provision, but excluding the impact of estimated forfeitures related to service-based vesting conditions.

Adopted August 11, 2020, subject to the effectiveness of the Company's Registration Statement on Form S-1.

Amended and Restated on January 17, 2022.

ACTIVE/114548327.2

Exhibit 10.10

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. Information that was omitted has been noted in this document with a placeholder identified by the mark "[***]".

AMENDED AND RESTATED

COLLABORATION AND LICENSE AGREEMENT

BETWEEN

GENZYME CORPORATION

AND

KYMERA THERAPEUTICS, INC.

November 15, 2022

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SCHEDULES AND EXHIBITS

Schedules

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Exhibits

Exhibit A	Terms and Conditions of Development Cost Sharing
Exhibit B	Terms and Conditions of Co-Promotion Agreement
Exhibit C	Terms and Conditions of Cost/Profit Sharing Agreement
Exhibit D	Kymera Press Release
Exhibit E	Sanofi’s form of Phase 2 Election Notice

AMENDED AND RESTATED

COLLABORATION AND LICENSE AGREEMENT

This Amended and Restated Collaboration and License Agreement (this "**Agreement**") is executed as of November 15, 2022 (the "**Restatement Execution Date**") and is by and between Genzyme Corporation, a corporation organized under the laws of the Commonwealth of Massachusetts ("**Sanofi**"), and Kymera Therapeutics, Inc., a corporation organized under the laws of the State of Delaware ("**Kymera**"). Sanofi and Kymera each may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

RECITALS

WHEREAS, Kymera controls certain Patents and Know-How, technology and expertise relating to ubiquitin-mediated protein degradation therapeutics;

WHEREAS, Sanofi is a global biopharmaceutical company that has expertise in the development and commercialization of pharmaceutical products;

WHEREAS, the Parties entered into that certain Collaboration and License Agreement dated as of Original Agreement Execution Date (the "**Original Agreement**"), pursuant to which the Parties established a strategic collaboration focused on the research, development and commercialization of ubiquitin-mediated protein degradation therapeutics Directed Against the Collaboration Targets for use in the applicable Field; and

WHEREAS, the Parties now desire to amend and restate the Original Agreement in its entirety and replace the Original Agreement with this Agreement.

NOW, THEREFORE, in consideration of the respective covenants, representations, warranties and agreements set forth herein, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement, the following capitalized terms will have the following meanings:

1.1 "**A&R FAD Research Term**" has the meaning set forth in Section 2.4.2.

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

1.3 "**Acquired Party**" has the meaning set forth in Section 10.8.1.

1.4 "**Acquirer**" has the meaning set forth in Section 1.44.

1.5 "**Acquiring Parties**" has the meaning set forth in Section 10.8.2.

1.6 "**Acquisition Transaction**" has the meaning set forth in Section 10.7.1.

1.7 "**Actions**" has the meaning set forth in Section 18.11.

1.8 "**Affiliate**" means, as of any point in time and for so long as such relationship continues to exist with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person. A Person will be regarded as in control of another Person if it (a) owns or controls, directly or indirectly, more than fifty percent (50%) of the equity securities of the subject Person entitled to vote in the election of directors (or, in the case of a Person that is not a corporation, for the election of the corresponding managing authority), or (b) possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person (whether through ownership of securities or other ownership interests, by contract or otherwise).

1.9 "**Agreement**" has the meaning set forth in the Preamble.

1.10 "**Alliance Manager**" has the meaning set forth in Section 9.12.1.

1.11 "**Allocation Methodology**" has the meaning set forth in Exhibit C.

1.12 "**Allowable Expenses**" has the meaning set forth in Exhibit C.

1.13 "**Annual Net Sales**" has the meaning set forth in Section 11.2.4.

1.14 "**Applicable Law**" means all applicable laws, statutes, rules, regulations and other pronouncements having the effect of law of any federal, national, multinational, state, provincial, county, city or other political subdivision, agency or other body, domestic or foreign, including any applicable rules, regulations, guidelines, or other requirements of the Regulatory Authorities that may be in effect from time to time, including the United States Federal Food, Drug, and Cosmetic Act, as amended, GCP, GLP and GMP, anti-bribery laws, such as the United States Anti-Kickback Statute, Foreign Corrupt Practices Act and UK Bribery Act, as well as all applicable data protection and privacy laws, rules and regulations, including the United States Department of Health and Human Services privacy rules under the Health Insurance Portability and Accountability Act, as amended, and the Health Information Technology for Economic and Clinical Health Act and the EU General Data Protection Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, along with other country-level data protection laws, as may be applicable.

1.15 "**Approval Application**" means an NDA or similar application or submission for a pharmaceutical product to a Regulatory Authority in a country or group of countries to obtain Marketing Approval for such pharmaceutical product in that country or group of countries, including any amendment thereof.

1.16 "**Approved Third Party Contractors**" means (a) the Third Party contractors set forth on Schedule 1.16, and (b) any Subcontractor approved by the JRDC (such approval not to be unreasonably withheld, conditioned or delayed by either Party's representatives on the JRDC).

1.17 "**Arbitrator**" means (a) with respect to Schedule 9.9.2(b)(iv), an individual who (i) is a qualified attorney in private practice or a retired judge, each admitted to practice law in the United States, with expertise in intellectual property matters in the pharmaceutical or biotechnology industry, (ii) is professionally fluent in English, (iii) is not from academia, (iv) has not worked for or been engaged by either Party or its Affiliates, or any other portfolio companies of its material investors, in the [***] period immediately prior to selection of such individual, or (v) does not own equity or debt in either Party or its Affiliates (other than equity or debt owned through a broad based mutual fund or exchange trade fund) and, (b) with respect to Schedule 9.9.2(b)(v), an individual who (i) is a qualified attorney in private practice or a retired judge, each admitted to practice law the United States, with relevant experience in financial disputes pertaining the pharmaceutical products, (ii) is professionally fluent in English, (iii) is not from academia, (iv) has not worked for or been engaged by either Party or its Affiliates, or any other portfolio companies of its material investors, in the [***] period immediately prior to selection of such individual, or (v) does not own equity or debt in either Party or its Affiliates (other than equity or debt owned through a broad based mutual fund or exchange trade fund).

1.18 "**Audited Party**" has the meaning set forth in Section 11.9.

1.19 "**Auditing Party**" has the meaning set forth in Section 11.9.

1.20 "**Authorized Generic**" means an authorized generic version of a Licensed Product that is Manufactured by or on behalf of Sanofi, its Affiliate or its Sublicensee or a Third Party designated by Sanofi or its Affiliate or Sublicensee.

1.21 "**Backup Degrader Criteria**" means [***].

1.22 " **Backup Degraders**" means (a) for Collaboration Target 1, the Backup Degraders for CT1, and (b) for Collaboration Target 2, the Backup Degraders for CT2.

1.23 "**Backup Degraders for CT1**" means [***]. Notwithstanding the foregoing exclusion, [***].

1.24 "**Backup Degraders for CT2**" means [***].

1.25 "**Backup Research**" has the meaning set forth in Section 5.5.1.

1.26 "**Backup Research Budget**" has the meaning set forth in Section 5.5.2.

1.27 "**Backup Research Budget Excession**" has the meaning set forth in Section 5.5.6.

1.28 "**Backup Research Plan**" has the meaning set forth in Section 5.5.2.

1.29 "**Backup Research Term**" has the meaning set forth in Section 5.5.2.

1.30 "**Balancing Payment**" has the meaning set forth in Exhibit C.

1.31 "**Bankrupt Party**" has the meaning set forth in Section 10.5.

1.32 "**Bankruptcy Code**" has the meaning set forth in Section 10.5.

1.33 "**Blocking Third Party Intellectual Property**" means, with respect to a Collaboration Candidate or Licensed Product in any country, Patents or Know-How in such country owned or controlled by a Third Party (but not then included in Licensed Technology) that [***].

1.34 "**Blocking Third Party Intellectual Property Costs**" means [***].

1.35 "**Branding Strategy**" has the meaning set forth in Section 6.9.1.

1.36 "**Breaching Party**" means the Party that is believed by the other Party to be in material breach of this Agreement.

1.37 "**Business Day**" means a day, other than a Saturday or Sunday, on which national banks in each of the following locations are open for commercial banking business: Paris, France, Boston, Massachusetts, U.S. and Bridgewater, New Jersey, U.S.

1.38 "**Calendar Period**" has the meaning set forth in Exhibit B.

1.39 "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31, during the Term, or the applicable part thereof during the first or last calendar quarter of the Term.

1.40 "**Calendar Year**" means any year commencing on January 1 and ending on December 31, or the applicable part thereof during the first or last year of the Term.

1.41 "**Calendar Year Net Sales**" means, on a Licensed Product-by-Licensed Product basis, the total Net Sales by Sanofi, its Affiliates and Sublicensees in the Territory of such Licensed Product in a particular Calendar Year.

1.42 "**CDA**" has the meaning set forth in Section 1.76.

1.43 "[***]" means [***].

1.44 "**Change of Control**" means, with respect to a Party, (a) a merger or consolidation of such Party with an Acquirer that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent more than fifty percent (50%) of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger or consolidation, (b) a transaction or series of related transactions in which an Acquirer, together with its Affiliates, becomes the beneficial owner of more than fifty percent (50%) of the combined voting power of the outstanding securities of such Party, or (c) the sale or other transfer to an Acquirer of all or substantially all of such Party's business to which the subject matter of this Agreement relates. Notwithstanding the foregoing, with respect to Kymera, the term "Change of Control" will not include any sale of shares of capital stock of Kymera, in a single transaction or series of related transactions in which Kymera issues new securities to institutional investors for cash or the cancellation or conversion of indebtedness or a combination thereof where such

transaction(s) are conducted primarily for *bona fide* equity financing purposes. "**Acquirer**" means, in the context of a Change of Control, a Third Party or its Affiliates.

1.45 "**Clinical Trial**" means a study in humans that is required to be conducted in accordance with GCP and is designed to generate data in support of an Approval Application.

1.46 "**CMC**" means chemistry, manufacturing and controls.

1.47 "**CMC Transfer Plan**" has the meaning set forth in Section 8.1.1(b).

1.48 "**CMO**" means any Third Party contract manufacturer.

1.49 "**Co-Commercialization Budget**" has the meaning set forth in Section 6.3.2.

1.50 " **Co-Commercialization Plan**" means, on a Collaboration Target-by-Collaboration Target basis, the [***] comprehensive plan for the Commercialization of the Opt-In Products Directed Against such Collaboration Target in [***], which will include the following:

1.50.1 [***]

1.50.2 [***]

1.50.3 [***]

1.50.4 [***]

1.50.5 [***].

1.51 " **Co-Promote**" means, on a Collaboration Target-by-Collaboration Target basis, with respect to the Opt-In Products Directed Against such Collaboration Target for which Kymera exercises the Kymera Co-Promote Right for such Collaboration Target in accordance with Section 9.2.2(i), Detailing activities with respect to such Opt-In Products undertaken by or on behalf of either Party in the United States pursuant to the terms set forth in Exhibit B. "**Co-Promotion**" and "**Co-Promoting**" will have a correlative meaning.

1.52 "**Co-Promote Opt-Out Right**" has the meaning set forth in Exhibit B.

1.53 "**Co-Promote Period**" means, on a Collaboration Target-by-Collaboration Target basis, the period of time from the Kymera Co-Promote Effective Date (if any) until the termination or expiration of the Co-Promotion Agreement.

1.54 "**Co-Promotion Agreement**" has the meaning set forth in Section 6.2.7.

1.55 "**Co-Promotion Plan**" has the meaning set forth in Exhibit B.

1.56 "**Co-Promotion Term**" has the meaning set forth in Exhibit B.

1.57 "**Co-Promotion Wind-Down Period**" has the meaning set forth in Section 5.7.11(b).

1.58 "**Collaboration Candidates**" means any [***].

1.59 "**Collaboration Compounds**" means, (a) for Collaboration Target 1, the Collaboration Target 1 Degraders, and (b) for Collaboration Target 2, the Collaboration Target 2 Degraders.

1.60 "**Collaboration In-License**" has the meaning set forth in Section 11.5.1(b).

1.61 "**Collaboration In-License Agreement**" has the meaning set forth in Section 11.5.2.

1.62 "**Collaboration Target**" means Collaboration Target 1 or Collaboration Target 2, as the context requires.

1.63 "**Collaboration Target 1**" means [***].

1.64 "**Collaboration Target 1 Degraders**" means [***]. For clarity, the Collaboration Target 1 Degraders exclude [***].

1.65 "**Collaboration Target 2**" means [***].

1.66 "**Collaboration Target 2 Degraders**" means (a) the Initial Collaboration Target 2 Degraders, and (b) the Backup Degraders for CT2.

1.67 "**Combination Product**" has the meaning set forth in Section 1.250(j).

1.68 "**Commercial Milestone Event**" has the meaning set forth in Section 11.2.4.

1.69 "**Commercial Milestone Payment**" has the meaning set forth in Section 11.2.4.

1.70 "**Commercialize**" or "**Commercializing**" means, in respect of a Licensed Product, to (a) market, advertise, promote, Detail, distribute, offer for sale, sell, have sold, import, have imported, export, have exported or otherwise exploit, (b) conduct activities, other than Research, Development and Manufacturing, in preparation for the foregoing activities, including obtaining Price Approval or (c) conduct post-Marketing Approval commitments or studies (including Phase 4 Clinical Trials). When used as a noun, "**Commercialization**" means any activities involved in Commercializing.

1.71 "**Commercially Reasonable Efforts**" means [***].

1.72 "**Committee**" means each of the JSC and each Subcommittee.

1.73 "**Competing Party**" has the meaning set forth in Section 10.7.1.

1.74 "**Competing Product**" has the meaning set forth in Section 10.7.1.

1.75 "**Competitive Infringement**" has the meaning set forth in Section 12.4.1.

1.76 "**Confidential Information**" means, with respect to each Party, all Know-How or other information, including proprietary information (whether or not patentable) regarding or embodying such Party's technology, products, business information or objectives, that is communicated in any way or form by or on behalf of the Disclosing Party to the Receiving Party or its permitted recipients, pursuant to this Agreement or that certain Confidentiality Agreement between Sanofi and Kymera dated July 31, 2018, as amended or restated from time to time (the "**CDA**"), whether or not such Know-How or other information is identified as confidential at the time of disclosure. For clarity, the Degrader Platform will be the Confidential Information of Kymera. Notwithstanding the foregoing, Confidential Information does not include any Know-How or information that: (a) was already known by the Receiving Party (other than under an obligation of confidentiality to the Disclosing Party) at the time of disclosure by or on behalf of the Disclosing Party; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party in breach of its obligations under this Agreement; (d) was disclosed to the Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to the Receiving Party; or (e) was independently discovered or developed by or on behalf of the Receiving Party without the use of any Confidential Information belonging to the Disclosing Party. Confidential Information disclosed to the Receiving Party hereunder will not be deemed to fall within the foregoing exceptions merely because broader or related information falls within such exceptions, nor will combinations of elements or principles be considered to fall within the foregoing exceptions merely because individual elements of such combinations fall within such exceptions. Without limiting the foregoing, and notwithstanding clauses (a), (d) and (e) of the preceding sentence: [***].

1.77 "**Control**" or "**Controlled**" means with respect to a Party any Know-How, Patent or Materials, possession of the ability by such Party or its Affiliate (whether by sole or joint ownership, license or otherwise), other than pursuant to this Agreement, to grant, without violating the terms of any agreement with a Third Party, a license, access or other right in, to or under such Know-How, Patent or Materials. Notwithstanding anything in this Agreement to the contrary, a Party and its Affiliates will be deemed to not Control any Know-How, Patents or Materials that are owned or controlled by a Third Party described in the definition of "Change of Control," or such Third Party's Affiliates (other than an Affiliate of such Party prior to the Change of Control), (a) prior to the closing of such Change of Control, except to the extent that any such Know-How, Patents or Materials were developed by such Third Party prior to such Change of Control using or incorporating such Party's or its pre-existing Affiliate's Know-How, Patents or Materials, or (b) after such Change of Control to the extent that such Know-How, Patents or Materials are developed or conceived by such Third Party or its Affiliates (other than such Party) after such Change of Control without using or incorporating such Party's or its pre-existing Affiliate's Know-How, Patents or Materials. Kymera and its Affiliates will not be deemed to Control any Patents or Know-How licensed to Kymera pursuant to a Potential In-License entered into after the Original Agreement Execution Date unless such Potential In-License becomes a Collaboration In-License Agreement in accordance with Sections 11.5.1(b)(i) or 11.5.2.

1.78 "**Corrective Plan**" has the meaning set forth in Exhibit B.

1.79 "**Cost/Profit Share**" has the meaning set forth in Section 5.7.9.

1.80 "**Cost/Profit Sharing Agreement**" has the meaning set forth in Section 5.7.8.

1.81 "**Counterparty**" has the meaning set forth in Section 1.399.

1.82 "**Cover**," "**Covering**" or "**Covers**" means (a) as to a compound or product (or [***]) and a Patent, that, in the absence of a license granted under, or ownership of, such Patent, the making, using, selling, offering for sale or importation of such compound or product (or [***]) would infringe such Patent or, as to a pending claim included in such Patent, the making, using, selling, offering for sale or importation of such compound or product (or [***]) would infringe such Patent if such pending claim were to issue in an issued patent without modification, (b) as to Know-How and a Patent, that, in the absence of a license granted under, or ownership of, such Patent, the use or practice of such Know-How would infringe such Patent or, as to a pending claim included in such Patent, the use or practice of such Know-How would infringe such Patent if such pending claim were to issue in an issued patent without modification and (c) as to a compound, product or technology and Know-How, that the exploitation of such compound, product or technology incorporates, uses, employs, embodies, or practices such Know-How.

1.83 "**CTA**" has the meaning set forth in Section 1.161.

1.84 "[***]" means, [***].

1.85 "**Defending Party**" has the meaning set forth in Section 12.3.

1.86 "**Deferred Costs**" has the meaning set forth in Exhibit A.

1.87 "**Degrader**" means [***].

1.88 "[***]" means, [***]. For clarity, [***].

1.89 "[***]" has the meaning set forth in Section 9.9.2(b)(iv).

1.90 "**Degrader Platform**" means Kymera's proprietary Know-How with respect to the identification, development, synthesis, manufacture and optimization of Degraders, including any such proprietary Know-How with respect to [***], together with any and all Patents Controlled by Kymera or its Affiliates that Cover any of the foregoing Know-How; *provided* that, [***]. For clarity, Know-How of Kymera will be considered proprietary if [***].

1.91 "**Designated Sales Force**" has the meaning set forth in Exhibit B.

1.92 "**Detail**" or "**Detailing**" means, with respect to an Opt-In Product in the Field in [***], a person-to-person (including, for clarity, e-details) contact between a sales representative and a physician or other medical professional licensed or authorized to prescribe drugs (including a nurse practitioner or physician assistant with prescribing authority) (a "**Healthcare Prescriber**"), during which a primary position detail or a secondary position detail is made to

such person, in each case as measured by each Party's internal recording of such activity in accordance with the Co-Promotion Agreement; *provided* that such meeting is consistent with, and in accordance with, the requirements of Applicable Law, Exhibit B and the applicable Co-Promotion Agreement. For the avoidance of doubt, the following activities will not constitute a "**Detail**": sample drops; activities conducted at conventions, exhibit booths, speaker meetings or similar gatherings; a delivery of savings cards or coupons without discussion with a Healthcare Prescriber or other office staff member involved in the prescribing or reimbursement of an Opt-In Product; and activities of medical science liaisons and activities conducted by market development specialists, managed care account directors and other personnel not performing person-to-person sales calls or not specifically trained with respect to an Opt-In Product. The definition of "**Detail**" may be further refined in the applicable Co-Promotion Agreement. When used as a verb, "**Detail**" or "**Detailing**" means to engage in a Detail.

1.93 "**Development**" means, with respect to a Collaboration Compound, Collaboration Candidate or Licensed Product, all (a) non-clinical and pre-clinical research and development activities and optimization completed prior to filing an IND with respect to such Collaboration Compound, Collaboration Candidate or Licensed Product, including animal and toxicology studies ("**Pre-Clinical Development**"), and (b) clinical and non-clinical research and development activities conducted after filing of an IND with respect to such Collaboration Compound, Collaboration Candidate or Licensed Product, including toxicology, pharmacology test method development and stability testing, process development, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, Clinical Trials (other than Phase 4 Clinical Trials), regulatory affairs, pharmacovigilance, Clinical Trial regulatory activities and obtaining and maintaining Marketing Approval. When used as a verb, "**Develop**" or "**Developing**" means to engage in Development.

1.94 "**Development Costs**" means [***].

1.95 "**Development Milestone Events**" has the meaning set forth in Section 11.2.3.

1.96 "**Development Milestone Payments**" has the meaning set forth in Section 11.2.3.

1.97 "**Different**" with respect to two (2) Indications means that [***].

1.98 "**Directed Against**" means, with respect to a Degrader and a Target, that such Degrader [***].

1.99 "**Disclose**," "**Disclosed**," or "**Disclosing**" means, as to a compound or product and a Patent, that, [***].

1.100 "**Disclosing Party**" has the meaning set forth in Section 16.1.

1.101 "**Dispute**" has the meaning set forth in Section 18.12.

1.102 "**Distinct Indication**" means (a) with respect to Collaboration Target 1, an Indication with a diagnosed prevalence in humans in [***] of no less [***] and (b) with respect to Collaboration Target 2, an Indication with a diagnosed prevalence in human [***] of no less than [***].

1.103 "**Distribution Costs**" has the meaning set forth in Exhibit C.

1.104 "**Distributor**" means a Person who distributes, markets, and sells Licensed Products in the Territory (with or without packaging rights), in circumstances where the Person purchases its requirements of Products from Sanofi or its Affiliates or Sublicensees pursuant to a written agreement but does not otherwise make any royalty or other payment to Sanofi or its Affiliates with respect to its intellectual property or other proprietary rights. The term "packaging rights" in this Section means the right for the Distributor to package and label Licensed Products supplied in unpackaged bulk form into individual ready-for-sale packs.

1.105 "**Divest**" means, with respect to a Competing Product, the sale, exclusive license or other transfer by the applicable Party and its Affiliates of all of their development and commercialization rights with respect to such Competing Product to a Third Party without the retention or reservation of any development or commercialization obligation, interest or participation rights (other than solely an economic interest or the right to enforce customary terms contained in the relevant agreements effectuating such transaction).

1.106 "**Early Development Activities**" has the meaning set forth in Section 3.1.1(a).

1.107 "**Early Development Milestone Event**" has the meaning set forth in Section 11.2.1.

1.108 "**Early Development Milestone Payment**" has the meaning set forth in Section 11.2.1.

1.109 "**Early Development Plan**" has the meaning set forth in Section 3.2.1.

1.110 "**EMA**" means the European Medicines Agency and any successor entity thereto.

1.111 "**European Commission**" means the European Commission or any successor entity that is responsible for granting marketing approvals authorizing the sale of pharmaceuticals in the European Union.

1.112 "**European Union**" or "**EU**" means the European Union and all its then-current member countries but including in any case France, Germany, Italy, Spain and the United Kingdom regardless of whether they are then-current member countries.

1.113 "**Excepted Matter**" means [***].

1.114 "**Excluded Compounds**" means [***].

1.115 "**Excluded Field**" means, solely with respect to Collaboration Target 1, diagnosis, treatment, cure, mitigation or prevention of any diseases, disorders or conditions in Oncology.

1.116 "**Exclusions**" has the meaning set forth in Exhibit C.

1.117 "**Exclusive Licenses**" has the meaning set forth in Section 10.1.3.

1.118 "**Executive Officers**" means the [***].

1.119 "**Expert Dispute**" has the meaning set forth in Section 9.9.2(b)(iii).

1.120 "**FAD Permitted Overrun**" has the meaning set forth in Section 2.4.5.

1.121 "**FAD Research Budget Excession**" has the meaning set forth in Section 2.4.5.

1.122 "**FAD Term Extension**" has the meaning set forth in Section 2.4.2.

1.123 "**Falsified Medicine**" has the meaning set forth in Section 12.13.1.

1.124 "**FD&C Act**" means the United States Federal Food, Drug, and Cosmetic Act, as amended, and the rules and regulations promulgated thereunder.

1.125 "**FDA**" means the United States Food and Drug Administration and any successor entity thereto.

1.126 "**Field**" means (a) for Collaboration Target 1, diagnosis, treatment, cure, mitigation or prevention of any diseases, disorders or conditions, excluding the Excluded Field or (b) for Collaboration Target 2, diagnosis, treatment, cure, mitigation or prevention of any diseases, disorders or conditions.

1.127 "**Final Balancing Report**" has the meaning set forth in Exhibit C.

1.128 "**Finance Dispute**" has the meaning set forth in Section 9.9.2(b)(v).

1.129 "**First Additional Degrader Criteria**" means, with respect to a given Degrader, [***].

1.130 [***].

1.131 [***].

1.132 [***].

1.133 "**First Additional Degrader Research Budget**" has the meaning set forth in Section 2.3.1.

1.134 "**First Additional Degrader Research Term"** has the meaning set forth in Section 2.4.2.

1.135 "**First Additional Degraders**" means, for Collaboration Target 1 [***].

1.136 "**First Commercial Sale**" means with respect to a Licensed Product, [***]; *provided* that the following will not constitute a First Commercial Sale: [***].

1.137 "**Force Majeure**" means a condition, the occurrence and continuation of which is beyond the reasonable control of a Party, including an act of God, governmental acts or

restrictions, war, civil commotion, labor strike or lock-out, epidemic, pandemic (including, [***]), flood, failure or default of public utilities or common carriers, or destruction of production facilities or materials by fire, earthquake, storm or like catastrophe.

1.138 "**Foreground Know-How**" has the meaning set forth in Section 1.140.

1.139 "**Foreground Patents**" has the meaning set forth in Section 1.140.

1.140 "**Foreground Technology**" means (a) any and all Know-How discovered, developed, invented or created solely by a Party or its Affiliates or Third Parties acting on its or their behalf, or jointly by both Parties or their respective Affiliates or Third Parties acting on their behalf, in each case, in the performance of activities under this Agreement (the "**Foreground Know-How**") and (b) any and all Patents that Cover any such Know-How described in clause (a) (the "**Foreground Patents**").

1.141 "**FTE**" means [***], which number of hours will be pro-rated based on the number of days when used for [***], devoted to or in support of (a) the Research activities, Pre-Clinical Development, Clinical Development, other Development activities or Backup Research that is carried out by one or more qualified scientific or technical employees (excluding Third Party contractors) of a Party or its Affiliates or (b) the Late Development Plan, Manufacturing activities or Commercialization activities that is carried out by one or more qualified scientific or technical employees (excluding Third Party contractors) of a Party or its Affiliates, as applicable. Notwithstanding the foregoing, the time of a single individual will not account for more than [***].

1.142 "**FTE Costs**" means, for any period, the FTE Rate multiplied by the number of FTEs who perform a specified activity under this Agreement. FTEs will be pro-rated on a daily basis if necessary.

1.143 "**FTE Rate**" means, with respect to [***]; *provided* that each such rate will increase or decrease on January 1 of each Calendar Year (starting with January 1, 2021) in accordance with the percentage year-over-year increase or decrease in the Producer Price Index (PPI) for Pharmaceutical and Medicine Manufacturing (NAICS 325400) over the twelve (12)-month period preceding each such January 1. The FTE Rate includes (a) all wages and salaries, employee benefits, bonus, travel and entertainment, supplies and other direct expenses and (b) indirect allocations, including all general and administrative expenses, human resources, finance, occupancy and depreciation, in each case ((a) and (b)), expended in connection with relevant activities.

1.144 "**Funding Failure**" has the meaning set forth in Section 5.7.10.

1.145 "**GAAP**" means United States generally accepted accounting principles, consistently applied.

1.146 " **GCP**" means good clinical practices, which are the then-current standards for Clinical Trials for pharmaceuticals, as set forth in the FD&C Act, ICH Guideline Q7A, or other Applicable Law, and such standards of good clinical practice as are required by the Regulatory Authorities of the European Union and other organizations and governmental authorities in

countries for which the applicable Collaboration Compound, Collaboration Candidate or Licensed Product is intended to be Developed, to the extent such standards are not less stringent than United States standards or ICH Guidelines.

1.147 "**Generic Product**" means, with respect to a particular Licensed Product in a particular country, a product on the market in such country commercialized by any Third Party that is not a Sublicensee and that did not purchase such product in a chain of distribution that included any of Sanofi or its Affiliates or Sublicensees, that (a) is approved by the applicable Regulatory Authority, under any then-existing Applicable Laws pertaining to approval of generic products, which approval is based on all or part of the clinical data referenced in any Regulatory Approval for the Licensed Product or which otherwise relies on the Regulatory Authority's finding of safety or effectiveness for the Licensed Product, or (b) is otherwise recognized as an "substitution" product by the applicable Regulatory Authority. For clarity, Authorized Generics will not be classified as Generic Products for purposes of this Agreement.

1.148 "**GLP**" means the then-current good laboratory practice standards promulgated or endorsed by the FDA as defined in 21 C.F.R. Part 58, or the successor thereto, or comparable regulatory standards in jurisdictions outside of the United States as they may be updated from time to time, to the extent such standards are not less stringent than United States standards.

1.149 "**GLP Toxicology Study**" means a toxicology study of the relationship between dose and its effects on an exposed animal, where the study is to be conducted in accordance with GLP.

1.150 "**GMP**" means the then-current Good Manufacturing Practices as specified in Applicable Law, including the United States Code of Federal Regulations, ICH Guideline Q7A, or equivalent laws, rules or regulations of an applicable Regulatory Authority at the time of manufacture.

1.151 "**Governmental Authority**" means any court, agency, department, authority or other instrumentality of any national, state, county, city or other political subdivision, including any relevant Regulatory Authority.

1.152 "**Healthcare Prescriber**" has the meaning set forth in Section 1.91.

1.153 "**HEOR Costs**" has the meaning set forth in Exhibit C.

1.154 "**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

1.155 "**ICH**" means the International Council on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

1.156 "**IFRS**" means International Financial Reporting Standards, consistently applied.

1.157 [***].

1.158 [***].

1.159 [***].

1.160 "**In-License Costs**" means [***].

1.161 "**IND**" means any Investigational New Drug application (including any amendment or supplement thereto) filed with the FDA pursuant to Part 312 of Title 21 of the U.S. Code of Federal Regulations, including any amendments thereto or if applicable, a comparable application or submission filed with a Regulatory Authority outside the U.S. for the investigation of any product in any other country or group of countries (such as a Clinical Trial Application in the EU) ("**CTA**").

1.162 "**Indemnified Party**" has the meaning set forth in Section 14.1.3.

1.163 "**Indemnifying Party**" has the meaning set forth in Section 14.1.3.

1.164 "**Independent Third Party Patent Counsel**" means an independent Third Party patent counsel (i) with expertise in the relevant matter at issue, (ii) who has not worked for or been engaged by either Party or its Affiliates, or any other portfolio companies of its material investors, in the [***] period immediately prior to selection of such individual, and (iii) who does not own equity or debt in either Party or its Affiliates (other than equity or debt owned through a broad based mutual fund or exchange traded fund).

1.165 "**Indication**" means a specific disease or medical condition in humans that is approved by a Regulatory Authority to be included as a discrete claim (as opposed to a variant or subdivision or subset of a claim) in the labeling of a Licensed Product based on the results of a separate Registrational Study(ies) sufficient to support Marketing Approval of such claim; *provided, that*, [***]. For clarity, the following will be part of the same Indication: [***].

1.166 "**Initial Balancing Report**" has the meaning set forth in Exhibit C.

1.167 "**Initial Collaboration Target 1 Degrader**" means [***].

1.168 "**Initial Collaboration Target 2 Degraders**" means [***].

1.169 "**Initiation**" or "**Initiate**" means, with respect to any Clinical Trial, dosing of the first human subject in such Clinical Trial.

1.170 "**Insolvency Event**" has the meaning set forth in Section 15.2.6.

1.171 "**JAMS**" means the JAMS Comprehensive Arbitration Rules and Procedures.

1.172 "**JCC**" has the meaning set forth in Section 9.6.1.

1.173 "**JFC**" has the meaning set forth in Section 9.7.1.

1.174 "**JMC**" has the meaning set forth in Section 9.4.1.

1.175 [***].

1.176 [***].

1.177 "**Joint Foreground Know-How**" means any Foreground Know-How jointly owned by the Parties pursuant to Section 12.1.2(b).

1.178 "**Joint Foreground Patent**" means any Foreground Patent jointly owned by the Parties pursuant to Section 12.1.2(b).

1.179 "**Joint Foreground Technology**" means all Joint Foreground Know-How and Joint Foreground Patents.

1.180 [***].

1.181 "**JPC**" has the meaning set forth in Section 9.3.1.

1.182 "**JRDC**" has the meaning set forth in Section 9.2.1.

1.183 "**JSC**" has the meaning set forth in Section 9.1.1.

1.184 "**JTT**" has the meaning set forth in Section 9.5.1.

1.185 "**Know-How**" means all proprietary data, results, pre-clinical and clinical protocols and data from studies and Clinical Trials, chemical structures, chemical sequences, materials, information, inventions, know-how, formulas, trade secrets, techniques, methods, processes, procedures, technology, practices, knowledge and developments, whether or not patentable; *provided that* Know-How does not include Patents.

1.186 "**Knowledge**" means, with respect to Kymera (i) as of the Original Agreement Execution Date and the Restatement Execution Date, as applicable, the actual knowledge, following reasonable inquiry of Kymera personnel and advisors (including [***] and other external patent counsels as appropriate) that would reasonably be anticipated to have knowledge of the facts relating to the relevant subject matter, of [***], and (ii) as of the Original Agreement Effective Date and during the Term, the actual knowledge, following reasonable inquiry of Kymera personnel and advisors (including internal and external patent counsel) that would reasonably be anticipated to have knowledge of the facts relating to the relevant subject matter, of the Chief Executive Officer, the Chief Financial Officer, and the Chief Medical Officer.

1.187 [***].

1.188 [***].

1.189 [***].

1.190 "**Kymera**" has the meaning set forth in the Preamble.

1.191 [***].

1.192 "**Kymera Background Know-How**" means, on a Collaboration Target-by-Collaboration Target basis, any Know-How, other than Kymera Foreground Know-How or Joint Foreground Know-How, that [***].

1.193 "**Kymera Background Patents**" means, on a Collaboration Target-by-Collaboration Target basis, any Patent (including any further Patent claiming priority thereto), other than [***] that [***].

1.194 "**Kymera Background Technology**" means all Kymera Background Know-How and Kymera Background Patents.

1.195 "**Kymera Co-Promote Effective Date**" has the meaning set forth in Section 6.2.5.

1.196 "**Kymera Co-Promote Right**" has the meaning set forth in Section 6.2.

1.197 "**Kymera Co-Promote Right Deadline**" has the meaning set forth in Section 6.2.4.

1.198 "**Kymera Co-Promote Right Exercise Notice**" has the meaning set forth in Section 6.2.4.

1.199 "**Kymera Co-Promotion Expenses**" has the meaning set forth in Exhibit B.

1.200 "**Kymera Competitor**" has the meaning set forth in Section 10.3.1(c).

1.201 [***] means [***].

1.202 "**Kymera Existing Phase 1 Clinical Trial**" means the Phase 1 Clinical Trial that is currently being conducted by or on behalf of Kymera for KT-474 under ClinicalTrials.gov Identifier: NCT04772885.

1.203 [***] means [***].

1.204 "**Kymera Foreground Know-How**" means [***].

1.205 "**Kymera Foreground Patents**" means [***].

1.206 [***] means [***].

1.207 "**Kymera Indemnified Party**" has the meaning set forth in Section 14.1.1.

1.208 "**Kymera Material Safety Event Notice**" has the meaning set forth in Section 7.6.2.

1.209 "**Kymera's Nonexclusive Negotiation Period**" has the meaning set forth in Section 15.2.3(e)(iv).

1.210 "**Kymera Opt-In Deadline**" has the meaning set forth in Section 5.7.5.

1.211 "**Kymera Opt-In Effective Date**" has the meaning set forth in Section 5.7.6.

1.212 "**Kymera Opt-In Exercise Notice**" has the meaning set forth in Section 5.7.5.

1.213 "**Kymera Opt-In Right**" has the meaning set forth in Section 5.7.1.

1.214 [***] means [***].

1.215 "**Kymera Phase 1 Clinical Trials**" means the Phase 1 Clinical Trials to be conducted by or on behalf of Kymera for the Collaboration Candidates and Licensed Products Directed Against Collaboration Target 1 for the first Indication in Field in the Territory in accordance with the Early Development Plan.

1.216 [***].

1.217 [***].

1.218 "**Late Development Plan**" has the meaning set forth in Section 5.3.1.

1.219 "**Launch Window**" has the meaning set forth in Exhibit B.

1.220 "**LCM Development**" has the meaning set forth in Exhibit C.

1.221 "**LCM Development Costs**" has the meaning set forth in Exhibit C.

1.222 "**Liability**" has the meaning set forth in Section 14.1.1.

1.223 "**Licensed Know-How**" means the Kymera Background Know-How, the Kymera Foreground Know-How and Kymera's interest in the Joint Foreground Know-How.

1.224 "**Licensed Patents**" means the Kymera Background Patents, the Kymera Foreground Patents and Kymera's interest in the Joint Foreground Patents.

1.225 "**Licensed Product**" means any pharmaceutical preparation in final form or other product, including any Combination Product, that contains a Collaboration Candidate, in all forms, presentations, strengths, doses and formulations thereof.

1.226 "**Licensed Product Mark**" has the meaning set forth in Section 12.12.

1.227 "**Licensed Technology**" means the Licensed Patents and Licensed Know-How.

1.228 "**Ligand**" has the meaning set forth in Section 1.86.

1.229 "**M2 Criteria**" means (a) for Collaboration Target 1, the criteria set forth on part (1) of Schedule 1.229 and (b) for Collaboration Target 2, the criteria set forth on part (2) of Schedule 1.229, in each case as may be amended by the JRDC.

1.230 "**MAD Data Package**" [***]:

(a) [***]

(b) [***]

(c) [***].

1.231 [***].

1.232 "**Major Indication**" means [***].

1.233 [***].

1.234 "**Manufacture**" or "**Manufactured**" or "**Manufacturing**" means activities directed to making, having made, producing, manufacturing, processing, formulating, filling, finishing, packaging, labeling, quality control testing and quality assurance release, shipping or storage of a Collaboration Compound, Collaboration Candidate or Licensed Product by or on behalf of a Party or its Affiliate or (sub)licensee.

1.235 "**Manufacturing Costs**" has the meaning set forth in Exhibit C.

1.236 "**Market Researcher**" has the meaning set forth in Exhibit B.

1.237 "**Marketing Approval**" means, with respect to a product in a particular country or jurisdiction, all approvals (including approvals resulting from any priority review, breakthrough therapy, accelerated approval or fast track designation, application or submission), licenses, registrations or authorizations necessary for the Commercialization of such product in such country or jurisdiction, including, (a) with respect to the United States, approval of an Approval Application for such product by the FDA and with respect to the European Union, approval of an Approval Application for such product by the European Medicines Agency or the applicable Regulatory Authority in any particular country in the EU, (b) where applicable, Price Approval in such country or jurisdiction, (c) where applicable, pre- and post-approval marketing authorizations (including any prerequisite Manufacturing approval or authorization related thereto), and (d) where applicable, labeling approval.

1.238 "**Material Communication**" means [***].

1.239 "**Material Safety Event**" means an event occurring after the Original Agreement Effective Date that is caused by a Licensed Product, or based on objective scientific or clinical evidence, is reasonably likely to be caused by a Licensed Product, and results in [***].

1.240 "**Material Submissions**" has the meaning set forth in Section 7.5.

1.241 "**Materials**" means all biological materials, chemical compounds and other materials arising out of a Party's activities under this Agreement and (i) provided by such Party to the other Party for use by the other Party or (ii) otherwise provided by a Party for use by the other Party, in each case, to conduct activities pursuant to this Agreement, including Collaboration Compounds, Collaboration Candidates, Clinical Trial samples, cell lines, compounds, lipids, assays, viruses and vectors.

1.242 "**Maturity Date**" has the meaning set forth in Exhibit A.

1.243 "**Medical Affairs Costs**" has the meaning set forth in Exhibit C.

1.244 "**Milestone Events**" has the meaning set forth in Section 11.2.4.

1.245 "**Milestone Payments**" has the meaning set forth in Section 11.2.4.

1.246 "**MTA Development Studies**" has the meaning set forth in Section 3.4.2.

1.247 "**MTA Research Studies**" has the meaning set forth in Section 2.8.2.

1.248 "**NDA**" means a new drug application that is submitted to the FDA for marketing approval for a Licensed Product, pursuant to 21 USC § 355.

1.249 "**Net Profits and Net Losses**" has the meaning set forth in Exhibit C.

1.250 "**Net Sales**" means, with respect to a Licensed Product for any period, the aggregate gross amount billed or invoiced by Sanofi, its Affiliates or its or their Sublicensees for the sale of a Licensed Product to Third Parties (including Distributors) in bona fide arm's-length transactions commencing with the First Commercial Sale of such Licensed Product less the following deductions determined in accordance with Accounting Standards as consistently applied from such gross amounts which are actually incurred, allowed, accrued or specifically allocated to the Licensed Product:

[***]

For the purposes of calculating Net Sales, all Net Sales will be converted into Dollars.

Subject to the above, Net Sales will be calculated in accordance with the standard internal policies and procedures of such Sanofi, its Affiliates or its or their Sublicensees, which must be in accordance with applicable Accounting Standards and applied consistently across their respective businesses.

As used herein, "**Combination Product**" means [***] (such other active ingredients, devices or other items of value described in the foregoing provisos (a) and (b), "**Other Items**").

1.251 "[***]" has the meaning set forth in Section 15.2.3(e)(iii).

1.252 "**Non-Approval Studies**" means any surveys, registries and Clinical Trials not intended to gain Marketing Approval or any additional labeled Indications, excluding any open label extension studies of a Collaboration Candidate or Licensed Product.

1.253 "**Non-Bankrupt Party**" has the meaning set forth in Section 10.5.

1.254 "**Non-Breaching Party**" means the Party that believes the other Party is in material breach of this Agreement.

1.255 "**Non-Defending Party**" has the meaning set forth in Section 12.3.

1.256 "**Non-Disclosing Party**" has the meaning set forth in Section 16.6.1(c).

1.257 [***].

1.258 "**Oncology**" means, the diagnosis, treatment, cure, mitigation or prevention of an Indication characterized by abnormal cellular proliferation, including solid or liquid malignancies (including primary and metastatic tumors), lymphoid and myeloid proliferative disorders (including myelodysplastic syndrome and myelofibrosis), and hematopoietic control or dysregulations. For clarity, "Oncology" also includes all cancer immunotherapy and immuno-oncology indications.

1.259 "**Opt-In Data Package**" means the data package described on Schedule 1.259.

1.260 "**Opt-In Period**" means, on a Collaboration Target-by-Collaboration Target basis, the period of time from the Kymera Opt-In Effective Date (if any) until the termination or expiration of the Cost/Profit Sharing Agreement.

1.261 " **Opt-In Products**" means, on a Collaboration Target-by-Collaboration Target basis, during the Opt-In Period, any and all Collaboration Candidates or Licensed Products Directed Against a given Collaboration Target.

1.262 "**Opt-Out Right**" has the meaning set forth in Section 5.7.9.

1.263 "**Original Agreement**" has the meaning set forth in the Recitals.

1.264 "**Original Agreement Effective Date**" means August 10, 2020.

1.265 "**Original Agreement Execution Date**" means July 7, 2020.

1.266 "**Other Items**" has the meaning set forth in Section 1.250.

1.267 "**Out-of-Pocket Costs**" means, with respect to a Party, costs and expenses paid by such Party or its Affiliates to Third Parties (or payable to Third Parties and accrued in accordance with Accounting Standards), other than employees of such Party or its Affiliates.

1.268 " **Participation Data Package**" means, (a) with respect to a given Collaboration Target, a data package containing the information set forth on Schedule 1.268 with respect to all Collaboration Candidates and Licensed Products Directed Against such Collaboration Target that exist as of the date of delivery of such Participation Data Package and (b) with respect to Collaboration Target 2, in addition to the information in clause (a), [***].

1.269 "**Party**" or "**Parties**" has the meaning set forth in the Preamble.

1.270 "**Patent and Trademark Costs**" has the meaning set forth in Exhibit C.

1.271 "**Patent and Trademark Recoveries**" has the meaning set forth in Exhibit C.

1.272 "**Patent Challenge**" has the meaning set forth in Section 15.2.3(d).

1.273 "**Patent Family**" means a group of Patents that share any priority relationship.

1.274 "**Patent Filing Jurisdictions**" means, [***].

1.275 "**Patent Resolution Procedures**" means those procedures set forth on Schedule 1.275.

1.276 "**Patents**" means the rights and interests in and to issued patents and pending patent applications in any country, jurisdiction or region (including inventor's certificates and utility models), including all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals, renewals and all patents granted thereon, and all reissues, reexaminations, extensions, confirmations, revalidations, registrations and patents of addition thereof, including patent term extensions and supplementary protection certificates, international patent applications filed under the Patent Cooperation Treaty (PCT) and any foreign equivalents to any of the foregoing.

1.277 "**Patient Assistance Program Costs**" has the meaning set forth in Exhibit C.

1.278 "**PDE**" has the meaning set forth in Exhibit B.

1.279 "**PDE Cost**" has the meaning set forth in Exhibit B.

1.280 "**PDE Requirement**" has the meaning set forth in Exhibit B.

1.281 "**Permitted Backup Research Overrun**" has the meaning set forth in Section 5.5.6.

1.282 "**Permitted U.S. Budget Overrun**" has the meaning set forth in Exhibit A.

1.283 " **Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision or department or agency of a government.

1.284 "**Pharmacovigilance Agreement**" has the meaning set forth in Section 7.6.1.

1.285 "**Phase 1 Clinical Trial**" means any Clinical Trial as described in 21 C.F.R. §312.21(a), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial; [***].

1.286 "Phase 1 Patient Data Package" [***]

[***]

(a) [***] (such patients, the "**Remaining Patients**"):

[***]

1.287 "**Phase 1 Ready Criteria**" means, for Collaboration Target 2, the criteria applicable to a Licensed Product Directed Against Collaboration Target 2, as set forth on Schedule 1.286, as may be discussed by the JRDC and amended by the JSC in accordance with this Agreement.

1.288 "**Phase 2 Activities**" has the meaning set forth in Section 3.1.1(f).

1.289 "**Phase 2 Clinical Trial**" means: either (a) a Phase 2a Clinical Trial, (b) a Phase 2b Clinical Trial or (c) any other Clinical Trial as described in 21 C.F.R. §312.21(b), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial. [***].

1.290 "**Phase 2a Clinical Trial**" means [***].

1.291 "**Phase 2b Clinical Trial**" means [***].

1.292 "**Phase 2 Development Plan**" has the meaning set forth in Section 3.1.1(d).

1.293 "**Phase 2 Protocol**" has the meaning set forth in Section 3.1.1(c).

1.294 "**Phase 2 Ready Criteria**" means, for Collaboration Target 1, the criteria applicable to a Licensed Product Directed Against Collaboration Target 1, as set forth on Schedule 1.294, as may be discussed by the JRDC and amended by the JSC in accordance with this Agreement.

1.295 "**Phase 2 Trigger Point**" has the meaning set forth in Section 1.403.

1.296 "**Phase 3 Clinical Trial**" means any Clinical Trial as described in 21 C.F.R. §312.21(c), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial.

1.297 "**Phase 4 Clinical Trial**" means any (i) Clinical Trial of a product conducted in accordance with ICH and local standards, which is not required for receipt of Marketing Approval in the United States and which is principally intended to support the marketing and Commercialization of a product, including any investigator or institution initiated trial, or clinical experience trial, study conducted to fulfill local commitments made as a condition of any Marketing Approval and (ii) health and economic outcomes research and other reviews/analyses/studies relating to value and access issues.

1.298 "**PIR**" has the meaning set forth in Exhibit B.

1.299 "**Platform Foreground Know-How**" has the meaning set forth in Section 12.1.2(b).

1.300 "[***]" has the meaning set forth in Section 12.1.2(b).

1.301 "**Platform Foreground Technology**" has the meaning set forth in Section 12.1.2(b).

1.302 "**Platform In-License**" has the meaning set forth in Section 11.5.1(b).

1.303 "**PMDA**" means the Pharmaceuticals and Medical Devices Agency and any successor entity thereto.

1.304 "**Post-POC Milestone Event**" has the meaning set forth in Section 11.2.3.

1.305 "**Post-POC Milestone Payment**" has the meaning set forth in Section 11.2.3.

1.306 "**Potential In-License**" has the meaning set forth in Section 11.5.1(a).

1.307 "**Pre-Clinical Development**" has the meaning set forth in Section 1.93.

1.308 "**Pre-Clinical and SAD/MAD Data Package**" [***].

1.309 "**Pre-Existing Restriction**" means [***].

1.310 "**Pre-POC Milestone Event**" has the meaning set forth in Section 11.2.2.

1.311 "**Pre-POC Milestone Payment**" has the meaning set forth in Section 11.2.2.

1.312 "**Preexisting Affiliate**" means, with respect to a Party that is subject to a Change of Control, any Affiliate of such Party following such Change of Control that was an Affiliate of such Party prior to such Change of Control.

1.313 "**Price Approval**" means, in any country where a Governmental Authority authorizes reimbursement for, or approves or determines pricing for, pharmaceutical products, receipt (or, if required to make such authorization, approval or determination effective, publication) of any government approval, agreement determination or decision establishing such reimbursement authorization or pricing approval or determination.

1.314 " **Proceeding**" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is, has been or may in the future be commenced, brought, conducted or heard at law or in equity or before any Governmental Authority, excluding all administrative proceedings before any patent office.

1.315 "[***]" means [***].

1.316 "**Promotional Materials**" has the meaning set forth in Exhibit B.

1.317 " **Prosecution and Maintenance**" or "**Prosecute and Maintain**" means, with regard to a Patent, the preparing, filing, prosecuting and maintenance of such Patent, as well as handling re-examinations and reissues with respect to such Patent, together with the conduct of interferences, derivation proceedings, pre- and post-grant opposition proceedings, post-grant patent proceedings (such as inter partes review and post grant review) and other similar proceedings with respect to the particular Patent. For clarification, "**Prosecution and Maintenance**" or "**Prosecute and Maintain**" will not include any enforcement actions taken with respect to a Patent.

1.318 "**Qualified Third Parties**" means the Third Parties set forth on Schedule 1.318.

1.319 "**R&D Expert**" means an individual with sufficient experience for the relevant matter at issue, who (i) has both relevant scientific and business expertise in the research and development of human therapeutic products (and more specifically, if relevant to the matter at issue and if available, expertise in ubiquitin-mediated protein degradation therapeutics), (ii) has not worked for or been engaged by either Party or its Affiliates in the [***] period immediately prior to selection of such individual, and (iii) does not own equity or debt in either Party or its Affiliates (other than equity or debt owned through a broad based mutual fund or exchange trade fund).

1.320 "**Receiving Party**" has the meaning set forth in Section 16.1.

1.321 "**Registrational Study**" means a Clinical Trial that is intended to establish that a product is safe and efficacious for its intended use in the target population, and to determine warnings, precautions, and adverse reactions that may be associated with such pharmaceutical product in the dosage range to be prescribed, which clinical trial is a registration trial intended to enable submission of an Approval Application for such product, as and to the extent defined for the United States in 21 C.F.R. § 312.21(c) or 21 C.F.R. Part 314 Subpart H, or its successor regulations, or, with respect to a jurisdiction other than the United States, a similar Clinical Trial.

1.322 "**Regulatory Authority**" means, with respect to a country in the Territory, any national (*e.g.*, the FDA), supra-national (*e.g.*, the European Commission, the Council of the European Union, or the EMA), regional, state or local regulatory agency, department, bureau, board, commission, council or other Governmental Authority that holds responsibility for development, commercialization or manufacturing of, and the granting of Marketing Approval for a pharmaceutical product in such country or region.

1.323 "**Regulatory Exclusivity**" means, with respect to a Licensed Product in a country, any data exclusivity rights, market exclusivity rights, or other exclusive right, other than a Patent, granted, conferred or afforded by any Regulatory Authority in such country or otherwise under Applicable Law with respect to such Licensed Product in such country, which either confers exclusive marketing rights with respect to a product or prevents another party from using or otherwise relying on the data supporting the approval of the Marketing Approval for a product without the prior written authorization of the Marketing Approval holder, as applicable, such as new chemical entity exclusivity, exclusivity associated with new Clinical Trials necessary to approval of a change (*e.g.*, new indication or use), orphan drug exclusivity, non-patent-related pediatric exclusivity, or any other applicable marketing or data exclusivity, including any such periods under national implementations in the EU of Article 10 of Directive 2001/83/EC, Article 14(11) of Parliament and Council Regulation (EC) No 726/2004, Parliament and Council Regulation (EC) No 141/2000 on orphan medicines, Parliament and Council Regulation (EC) No 1901/2006 on medicinal products for pediatric use and all international equivalents.

1.324 "**Regulatory Expenses**" has the meaning set forth in Exhibit C.

1.325 "**Regulatory Filings**" means, collectively: (a) all INDs, Approval Applications, establishment license applications, Drug Master Files, applications for designation (including as

an "Orphan Product(s)" under the Orphan Drug Act, for "Fast Track" status under Section 506 of the FD&C Act (21 U.S.C. § 356) or for a Special Protocol Assessment under Section 505(b)(4)(B) and (C) of the FD&C Act (21 U.S.C. § 355(b)(4)(B))) and all other similar filings (including counterparts of any of the foregoing in any country or region in the Territory); (b) any applications for Marketing Approval or Price Approval and other applications, filings, dossiers or similar documents submitted to a Regulatory Authority in any country for the purpose of obtaining Marketing Approval or Price Approval from that Regulatory Authority; (c) any Patent-related filings with any Regulatory Authority; (d) all supplements and amendments to any of the foregoing and submissions made related to any of the foregoing; (e) all documents referenced in the complete regulatory chronology for each Marketing Approval; (f) confirmed meeting requests and meeting minutes; (g) foreign equivalents of any of the foregoing; and (h) all data and other information contained in, and correspondence with any Regulatory Authority relating to, any of the foregoing.

1.326 " **Regulatory Lead**" means, unless otherwise agreed by the Parties: [***] on a Collaboration Target-by-Collaboration Target basis, during the Sanofi Participation Term with respect to such Collaboration Target (if any), Sanofi for all Collaboration Candidates and Licensed Products Directed Against such Collaboration Target.

1.327 "**Remaining Patient Data Package**:" [***]

1.328 "**Remaining Patients**" as the meaning set forth in Section 1.286(b).

1.329 "**Reporting Company**" means (a) a reporting company under the United States Securities and Exchange Act of 1934, or (b) a company that has publicly filed with the Securities and Exchange Commission, and has not withdrawn, a Form S-1.

1.330 " **Research**" means conducting research activities to discover, design, optimize, deliver and advance Collaboration Compounds, Collaboration Candidates or Licensed Products, but (a) specifically excluding Development, Manufacture and Commercialization, and (b) [***]. When used as a verb, "**Researching**" means to engage in Research.

1.331 "**Research Plan**" has the meaning set forth in Section 2.3.1.

1.332 "**Research Term**" means, on a Collaboration Target-by-Collaboration Target basis, the period commencing on the Original Agreement Effective Date and ending upon the earliest to occur of (i) the Sanofi Participation Election Deadline without Sanofi's exercise of the Sanofi Participation Election Right with respect to such Collaboration Target, (ii) the Sanofi Participation Election Effective Date with respect to such Collaboration Target, or (iii) the effective date of termination of this Agreement (with respect to such Collaboration Target or in its entirety). For the avoidance of doubt, (a) the expiration of the Research Term pursuant to clause (ii) shall not result in the expiration of the First Additional Degrader Research Term or Second Additional Degrader Research Term, which shall only expire in accordance with the terms thereof, and (b) the expiration of the Research Term with respect to Collaboration Target 1 pursuant to clause (i) or (iii) of this definition shall result in the contemporaneously expiration of both the First Additional Degrader Research Term and the Second Additional Degrader Research Term on such the effective date of expiration of the Research Term.

1.333 "**Rest of World**" means [***].

1.334 "**Restatement Effective Date**" has the meaning set forth in Section 17.2.

1.335 "**Restatement Execution Date**" has the meaning set forth in the Preamble.

1.336 "**Reversion Compound Data**" means any data that is generated by or on behalf of the Parties under this Agreement for any Reversion Compounds.

1.337 "**Reversion Compounds**" has the meaning set forth in Section 5.6.1.

1.338 "**Reversion Date**" has the meaning set forth in Section 5.6.4.

1.339 "[***]" has the meaning set forth in Section 15.2.3(e)(iii).

1.340 "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period commencing on the First Commercial Sale of such Licensed Product in such country and ending upon the latest of: (a) the date on which the use or sale of such Licensed Product is no longer Covered by a Valid Claim of [***] that Cover [***]; (b) the [***] of the First Commercial Sale of such Licensed Product in such country; or (c) expiration of Regulatory Exclusivity in such country with respect to such Licensed Product.

1.341 "**SAD Permitted Overrun**" has the meaning set forth in Section 2.5.5.

1.342 "**SAD Research Budget Excession**" has the meaning set forth in Section 2.5.5.

1.343 "**SAD Term Commencement Date**" has the meaning set forth in Section 2.5.3.

1.344 "**SAD Termination**" has the meaning set forth in Section 15.2.3(f).

1.345 "**Safety Concern**" means, with respect to any compound or product, (a) any safety concern required to be reported under 21 C.F.R. § 312.32 if an IND with respect to such product was open at the time of the observation (or that would be so reportable to a Regulatory Authority if an IND was not open at such time), or (b) a toxicity or drug safety issue or a Serious Adverse Event reasonably related to or observed in connection with development or commercialization activities with respect to a product, as determined by (i) prior to a Sanofi Participation Election Effective Date (if any), either Party, in accordance with its standard operating procedures and (ii) on or after a Sanofi Participation Election Effective Date (if any), Sanofi, in accordance with its standard operating procedures.

1.346 "**Safety Termination**" has the meaning set forth in Section 15.2.3(b).

1.347 "**Sales and Marketing Costs**" has the meaning set forth in Exhibit C.

1.348 "**Sanofi**" has the meaning set forth in the Preamble.

1.349 "**Sanofi Background Know-How**" means, on a Collaboration Target-by-Collaboration Target basis, [***].

1.350 "**Sanofi Background Patent**" means, on a Collaboration Target-by-Collaboration Target basis, [***].

1.351 "**Sanofi Background Technology**" means the Sanofi Background Know-How and the Sanofi Background Patents.

1.352 "**Sanofi Foreground Know-How**" means [***].

1.353 "**Sanofi Foreground Patent**" means [***].

1.354 "**Sanofi Foreground Technology**" means all Sanofi Foreground Know-How and Sanofi Foreground Patents.

1.355 "**Sanofi Indemnified Party**" has the meaning set forth in Section 14.1.2.

1.356 "**Sanofi Material Safety Event Notice**" has the meaning set forth in Section 7.6.2.

1.357 "**Sanofi Participation Election Deadline**" has the meaning set forth in Section 4.3.

1.358 "**Sanofi Participation Election Effective Date**" has the meaning set forth in Section 4.3.

1.359 "**Sanofi Participation Election Right**" has the meaning set forth in Section 4.1.

1.360 "**Sanofi Participation Election Right Exercise**" has the meaning set forth in Section 4.3.

1.361 "**Sanofi Participation Election Right Exercise Notice**" has the meaning set forth in Section 4.3.

1.362 "**Sanofi Participation Term**" means, on a Collaboration Target-by-Collaboration Target basis, the period commencing on the Sanofi Participation Election Effective Date (if any) with respect to such Collaboration Target and ending upon the effective date of expiration or termination of this Agreement with respect to such Collaboration Target. On a Collaboration Target-by-Collaboration Target basis, the Backup Research Term (if any) for a given Collaboration Target will be considered part of the applicable Sanofi Participation Term for such Collaboration Target.

1.363 "**Sanofi Phase 2 Election Notice**" means a written notice delivered by Sanofi by Kymera in the format set forth on Exhibit E.

1.364 "**Sanofi Reversion Technology**" means, with respect to a Terminated Target, [***].

1.365 "**Sanofi Safety Review Committee**" means [***].

1.366 "**Sanofi Technology**" means the Sanofi Background Technology, the Sanofi Foreground Technology and Sanofi's interest in the Joint Foreground Technology.

1.367 "**Screening Criteria**" means the criteria set forth on Schedule 1.367, as may be reviewed and discussed by the JRDC and amended by the JSC.

1.368 "**Second Additional Degrader Criteria**" means, with respect to a given Degrader, such Degrader meets all of the following criteria: [***].

1.369 **"Second Additional Degrader Research Budget**" has the meaning set forth in Section 2.3.1.

1.370 **"Second Additional Degrader Research Term**" has the meaning set forth in Section 2.5.3.

1.371 "**Second Additional Degraders**" means [***].

1.372 "**Series 2 Permitted Overrun**" has the meaning set forth in Section 2.6.4.

1.373 "**Series 2 Research Budget**" has the meaning set forth in Section 2.3.1.

1.374 "**Series 2 Research Budget Excession**" has the meaning set forth in Section 2.6.4.

1.375 "**Series 2 Research Term**" has the meaning set forth in Section 2.6.3.

1.376 " **Serious Adverse Event**" means an adverse drug experience or circumstance that results in any of the following outcomes (a) death, (b) life threatening condition, (c) inpatient hospitalization or a prolongation of existing hospitalization, (d) persistent or significant disability or incapacity or substantial disruption of the ability to conduct normal life functions, (e) or a congenital anomaly/birth defect, (f) significant intervention required to prevent permanent impairment or damage, or (g) a medical event that may not result in death, be life threatening, or require hospitalization but, based on appropriate medical judgment, that may jeopardize the patient or subject and may require medical or surgical intervention to prevent one of the outcomes described in clauses (a) through (f).

1.377 "**SOPs**" has the meaning set forth in Exhibit B.

1.378 "**Specifically Claim**" or "**Specifically Claims**" means, as to a compound, product or [***] and a Patent, that, [***].

1.379 " **Specifically Disclose**," "**Specifically Disclosed**," "**Specifically Discloses**" or "**Specifically Disclosing**" means, as to a [***], compound or product and a Patent, that [***].

1.380 "**Standard Cost**" has the meaning set forth in Exhibit C.

1.381 "**Step-In Activities**" has the meaning set forth in Section 15.2.4.

1.382 "**Step-In Triggers**" has the meaning set forth in Section 15.2.4.

1.383 "**Subcommittee**" means JCC, JFC, JMC, JPC, JRDC, JTT and any other subcommittee formed by the JSC in accordance with Section 9.1.2(s).

1.384 "**Subcontractor**" means a consultant, subcontractor, contract researcher, contract manufacturer, academic researcher or other vendor engaged by a Party to conduct activities on behalf of such Party or its Affiliate under this Agreement.

1.385 "**Sublicense**" means, directly or indirectly, to sublicense, grant any other right with respect to, or agree not to assert, the rights granted to Sanofi hereunder. When used as a noun, "Sublicense" means any agreement to Sublicense.

1.386 "**Sublicense Revenues**" has the meaning set forth in Exhibit C.

1.387 "**Sublicensee**" means an Affiliate or Third Party, other than a Distributor, to whom Sanofi (or a Sublicensee or Affiliate) sublicenses any of the rights granted to Sanofi hereunder during the Term.

1.388 "**Successful Completion**" means, (a) with respect to a Licensed Product containing a First Additional Degrader or Second Additional Degrader, [***], (b) with respect to a Licensed Product Directed Against Collaboration Target 2, [***].

1.389 "**Target**" means a specific protein that is associated with an ENSEMBL GENE ID (as listed in the database available at https://www.genenames.org or any successor website) (together with any and all naturally occurring mutations, variants and alternative sequences thereof).

1.390 "**Target Binding Moiety**" has the meaning set forth in Section 1.86.

1.391 [***].

1.392 [***].

1.393 "**Term**" has the meaning set forth in Section 15.1.

1.394 "**Terminated Degraders**" has the meaning set forth in Section 15.2.3(f).

1.395 "**Terminated Products**" means [***].

1.396 "**Terminated Target**" means any Collaboration Target with respect to which this Agreement has been terminated in accordance with any of the provisions of Sections 15.2.1, 15.2.2, 15.2.3, and 15.2.6. For clarity, (a) if Sanofi fails to timely exercise the Sanofi Participation Election Right with respect to a Collaboration Target prior to the Sanofi Participation Election Deadline in accordance with Section 4.3, this Agreement will automatically terminate with respect to such Collaboration Target in accordance with Section 15.2.1 and such Collaboration Target will become a Terminated Target and (b) if this Agreement is terminated in its entirety, all Collaboration Targets will be Terminated Targets.

1.397 "**Territory**" means worldwide.

1.398 "**Third Party**" means any Person other than Sanofi, Kymera or their respective Affiliates.

1.399 "**Third Party Agreement**" means [***].

1.400 "**Third-Party Infringement Claim**" has the meaning set forth in Section 12.3.

1.401 "**Third Party Payments**" has the meaning set forth in Exhibit C.

1.402 " **Trigger End Date**" means, (a) in respect of Collaboration Target 1, [***], and (b) in respect of Collaboration Target 2, [***].

1.403 "**Trigger Point**" means (a) for Collaboration Target 1, [***], and (b) for Collaboration Target 2, [***].

1.404 "**United States**" or "**U.S.**" means the United States of America and its territories, possessions and districts.

1.405 "**U.S. Budget Excession**" has the meaning set forth in Exhibit A.

1.406 "**U.S. Development Activities**" has the meaning set forth in Section 5.3.3(a).

1.407 "**U.S. Development Budget**" has the meaning set forth in Section 5.3.3(a).

1.408 "**U.S. Development Costs**" [***].

1.409 "**Valid Claim**" means a claim (a) of any issued, unexpired United States or foreign Patent, which has not, in the country of issuance, been irrevocably donated to the public, disclaimed, held invalid or unenforceable by a court of competent jurisdiction in an unappealed or unappealable decision, or (b) of any United States or foreign patent application, which has not, in the country in question, been finally cancelled, withdrawn, or abandoned; *provided* that, for purposes of this clause (b), (i) notwithstanding the foregoing, on a country-by-country basis, a patent application pending beyond the [***] will not be considered to have any Valid Claim for purposes of this Agreement unless and until a patent that meets the criteria set forth in clause (a) above with respect to such application issues, and (ii) a patent application filed after the date of the First Commercial Sale of a Licensed Product in a country will not be included in clause (b) of the definition of Valid Claim for such Licensed Product in such country unless and until (A) a patent that meets the criteria set forth in clause (a) above with respect to such application issues, or (B) Sanofi consents to the filing of such patent application (evidence of such consent may be given to the JPC).

1.410 "**Withholding Action**" has the meaning set forth in Section 11.8.

ARTICLE 2
RESEARCH

2.1 **Generally**. Subject to the terms and conditions of this Agreement, on a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera will be responsible for conducting certain Research activities for the Collaboration Compounds and Collaboration Candidates (but not, for clarity, Excluded Compounds) Directed Against such

Collaboration Target in the Field (and not, for clarity, in the Excluded Field) in the Territory in accordance with the Research Plan, as further set forth in this Article 2.

2.2 **Prior Research**.

2.2.1 The Parties acknowledge that Kymera has performed certain Research Activities with respect to Collaboration Target 1 prior to the Original Agreement Execution Date, and agree that for purposes of this Agreement, [***].

2.2.2 Under the Original Agreement, Kymera provided Sanofi (via the JRDC) a list of [***], for discussion by the JRDC. Kymera will provide a list of [***] to the JRDC at the first JRDC meeting after the Restatement Effective Date.

2.2.3 [***].

2.3 **Research Plan**.

2.3.1 On a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera will conduct the Research activities under this Article 2 for the Collaboration Compounds and Collaboration Candidates Directed Against each Collaboration Target in the Field in accordance with a written plan (the "**Research Plan**") that includes (a) [***] (b) [***] (c) [***] (d) [***] (e) [***] (f) [***]; *provided* that, an updated draft of each such budget will be provided by Kymera every [***]. A copy of the current Research Plan as of the Restatement Execution Date is attached hereto as Schedule 2.3.1; *provided* that, [***]. In the event Sanofi provides notice to Kymera under Section 2.5.2 that Sanofi desires to have Kymera conduct new Research activities with respect to Second Additional Degraders, Kymera will prepare an amendment to the Research Plan to include such new Research Activities no later than [***] from the date of Kymera's receipt of written notice thereof [***]. [***]. Any amendments to the Research Plan will be subject to Section 2.3.2 and Section 9.2.2(b). In the event of any inconsistency between the Research Plan and this Agreement, the terms of this Agreement will prevail.

2.3.2 Kymera may propose amendments to the Research Plan at any time to reflect any material developments or adjustments to the applicable Research activities, *provided* that (a) any such amended Research Plan will at all times meet the requirements set forth in Section 2.3.1[[***] through [***], and (b) in no event will Sanofi conduct any activities under the Research Plan except as *provided* in Section 2.8 or as mutually agreed by the Parties. Kymera will promptly provide any such proposed amendment to the Research Plan to the JRDC for review and discussion. No update or material amendment to the Research Plan will be effective unless and until approved by the JRDC in accordance with Section 9.2.2(b).

2.4 **First Additional Degraders**.

2.4.1 For Collaboration Target 1, in addition to the Research activities relating to the Initial Collaboration Target 1 Degrader and the Second Additional Degraders (as set forth more fully in Section 2.5 below), Kymera will conduct Research activities, in accordance with the Research Plan during the First Additional Degrader Research Term with the goal of

identifying one (1) new Collaboration Compound that satisfies the First Additional Degrader Criteria. For clarity, a "new Collaboration Compound", as used in the prior sentence, may be a Degrader which was identified or synthesized prior to the Original Agreement Effective Date, so long as it has not previously been designated as the Initial Collaboration Target 1 Degrader or a Second Additional Degrader. Without limiting the foregoing, Kymera shall assign personnel under this Section 2.4 in accordance with the Research Plan.

2.4.2 Kymera will conduct the Research activities under Section 2.4 during the period commencing on the Original Agreement Effective Date and ending on the earliest to occur of the following: (a) the date of selection of the First Additional Degrader in accordance with Section 2.4.7, (b) [***], and (c) the effective date of termination of this Agreement with respect to Collaboration Target 1 or in its entirety (the "**A&R FAD Research Term**"); provided that, as long as the A&R FAD Research Term has not otherwise expired or terminated, Sanofi will [***] have the one-time right upon written notice to Kymera to extend the term of Kymera's Research activities under this Section 2.4 until the [***] (the "**FAD Term Extension**", and with the A&R FAD Research Term, collectively, the "**First Additional Degrader Research Term**").

2.4.3 [***].

2.4.4 [***].

2.4.5 [***].

2.4.6 During the First Additional Degrader Research Term, Kymera will use the screening assays in accordance with the procedures set forth in the Research Plan to determine whether a given Degrader that is Researched under Section 2.4 satisfies the Screening Criteria or the First Additional Degrader Criteria. All Degraders that meet the Screening Criteria during the First Additional Degrader Research Term will be Collaboration Compounds under this Agreement, subject to the reversion rights set forth in Section 5.6. Notwithstanding anything herein to the contrary, any Degraders that are Researched by or on behalf of Kymera under Section 2.4 that do not meet the Screening Criteria will be classified as Excluded Compounds, unless [***].

2.4.7 During the First Additional Degrader Research Term, within [***] after Kymera reasonably believes that it has identified a Collaboration Compound that has satisfied all of the First Additional Degrader Criteria, Kymera will present a written report to Sanofi that identifies [***]. In addition, Sanofi may, in its discretion and through the JRDC, request that Kymera provide additional information, results or data in accordance with Section 2.11.3. Within [***] after the delivery of such report (or such longer period of time as may be reasonably determined by the JRDC, but in no event longer than [***]), the JRDC will (a) meet, discuss and review the report and associated material data, results and information and (b) determine whether such Collaboration Compound satisfies the First Additional Degrader Criteria. If the JRDC determines that such Collaboration Compound satisfies the First Additional Degrader Criteria, then (i) such Collaboration Compound will be classified as a "**First Additional Degrader**" under this Agreement, (ii) the First Additional Degrader Research Term will expire, (iii) Kymera will perform Early Development Activities with

respect to such First Additional Degrader in accordance with Article 3 and the Early Development Plan, and (iv) Kymera will have no further obligation to conduct any further additional Research activities under Section 2.4. If the JRDC does not believe that such Collaboration Compound satisfies the First Additional Degrader Criteria, then Kymera will use diligent efforts during the remainder of the First Additional Degrader Research Term to conduct additional Research activities in accordance with the Research Plan, and thereafter present a report to the JRDC as and to the extent applicable in Section 2.4. In the event that the JRDC does not agree on whether such Collaboration Compound satisfies the First Additional Degrader Criteria, then such dispute will be resolved in accordance with Section 9.9.2(b)(iii). Notwithstanding the foregoing, Sanofi may determine [***]. Any selection of a Collaboration Compound as a First Additional Degrader by the JRDC, by the R&D Expert in accordance with Section 9.9.2(b), or by Sanofi pursuant to the preceding sentence, will be recorded in the minutes of the JRDC.

2.5 **Second Additional Degraders**.

2.5.1 Under the Original Agreement, Research activities relating to [***].

2.5.2 During the period commencing on the Restatement Effective Date and ending on [***], Sanofi will have the right to provide written notice to Kymera that Sanofi desires to have Kymera conduct new Research activities in accordance with the Research Plan during the Second Additional Degrader Research Term with the goal of identifying one (1) new Collaboration Compound that satisfies the Second Additional Degrader Criteria. For clarity, a "new Collaboration Compound", as used in the prior sentence, may be a Degrader which was identified or synthesized by or on behalf of Kymera or its Affiliates prior to the Restatement Effective Date, so long as such Degrader has not previously been identified by the Parties pursuant to this Agreement as the Initial Collaboration Target 1 Degrader or a First Additional Degrader. In addition, in the event that the Sanofi provides written notice to Kymera in accordance with the first sentence of this Section 2.5.2, the Degraders to be researched under the Research Plan during the Second Additional Degrader Research Term may include all [***] that the Parties believe in good faith, as of the date of such written notice to Kymera, would have [***].

2.5.3 In the event that Sanofi provides written notice to Kymera in accordance with Section 2.5.2, Kymera provide the JRDC with an amendment to the Research Plan in accordance with Section 2.3.1. [***] Kymera will conduct new Research activities under this Section 2.5 pursuant to the amended Research Plan during the period commencing [***] after the date of [***] ("**SAD Term Commencement Date**") and ending on the earliest to occur of the following: (i) the date of selection of the Second Additional Degrader in accordance with Section 2.5.6, (ii) [***] (iii) the effective date of termination of this Agreement with respect to Collaboration Target 1 or in its entirety or (iv) the effective date of termination of the SAD Termination. The period of time during which Kymera conducts new Research activities under this Section 2.5 (if any) will be the "**Second Additional Degrader Research Term**".

2.5.4 During the Second Additional Degrader Research Term (if any), Sanofi will reimburse Kymera in accordance with Section 11.6.2 for [***] actually incurred by or on

behalf of Kymera or its Affiliates (a) in accordance with the Second Additional Degrader Research Budget, and (b) in connection with conducting Research activities under Section 2.5 in accordance with the Research Plan.

2.5.5 During the Second Additional Degrader Research Term (if any), Kymera will use Commercially Reasonable Efforts to ensure that [***].

2.5.6 During the Second Additional Degrader Research Term (if any), Kymera will use the screening assays in accordance with the procedures set forth in the Research Plan to determine whether a given Degrader that is Researched under this Section 2.5 satisfies the Screening Criteria or the Second Additional Degrader Criteria. All Degraders that meet the Screening Criteria during the Second Additional Degrader Research Term will be Collaboration Compounds under this Agreement, subject to the reversion rights set forth in Section 5.6. Notwithstanding anything herein to the contrary, any Degraders that are Researched by or on behalf of Kymera under Section 2.5 that do not meet the Screening Criteria will be classified as Excluded Compounds, unless [***].

2.5.7 During the Second Additional Degrader Research Term (if any), within [***] after Kymera reasonably believes that it has identified a Collaboration Compound that has satisfied all of the Second Additional Degrader Criteria, Kymera will present a written report to Sanofi [***]. In addition, Sanofi may, in its discretion and through the JRDC, request that Kymera provide additional information, results or data in accordance with Section 2.11.3. Within [***] after the delivery of such report (or such longer period of time as may be reasonably determined by the JRDC, but in no event longer than [***]), the JRDC will (a) meet, discuss and review the report and associated material data, results and information, and (b) determine whether such Collaboration Compound satisfies the Second Additional Degrader Criteria. If the JRDC determines that such Collaboration Compound satisfies the Second Additional Degrader Criteria, then (i) such Collaboration Compound will be classified as a "**Second Additional Degrader**" under this Agreement, (ii) the Second Additional Degrader Research Term will expire, (iii) Kymera will perform Early Development Activities with respect to such Second Additional Degrader in accordance with Article 3 and the Early Development Plan, and (iv) Kymera will have no further obligation to conduct any further additional Research activities under Section 2.5. If the JRDC does not believe that such Collaboration Compound satisfies the Second Additional Degrader Criteria, then Kymera will use diligent efforts during the remainder of the Second Additional Degrader Research Term to conduct additional Research activities in accordance with the Research Plan, and thereafter present a report to the JRDC as and to the extent applicable in Section 2.5. In the event that the JRDC does not agree on whether such Collaboration Compound satisfies the Second Additional Degrader Criteria, then such dispute will be resolved in accordance with Section 9.9.2(b)(iii). Notwithstanding the foregoing, [***]. Any selection of a Collaboration Compound as a Second Additional Degrader by the JRDC, by the R&D Expert in accordance with Section 9.9.2(b)(iii), or by Sanofi pursuant to the preceding sentence, will be recorded in the minutes of the JRDC.

2.6 **Initial Collaboration Target 2 Degraders**.

2.6.1 For Collaboration Target 2, during the Research Term, Kymera will, at its cost and expense, conduct Research activities in accordance with the Research Plan with the goal of advancing [***].

2.6.2 In the event that the first Collaboration Candidate Directed Against Collaboration Target 2 is designated in accordance with Section 2.6.5, Kymera will [***] continue to conduct any applicable Research activities with respect to such first Collaboration Candidate in accordance with the Research Plan or Development activities with respect to such Collaboration Candidate in accordance with the Early Development Plan, as applicable.

2.6.3 In addition, from and after the designation of the first Collaboration Candidate Directed Against Collaboration Target 2 in accordance with Section 2.6.5, Kymera will continue to conduct Research activities in accordance with the Research Plan in order to [***]. Kymera will conduct activities under this Section 2.6.3 until the earliest of (a) the date that the JRDC or the R&D Expert determines that a second Collaboration Compound Directed Against Collaboration Target 2 satisfies [***] and is classified as a Collaboration Candidate, (b) the Sanofi Participation Election Effective Date for Collaboration Target 2, (c) the date that the JRDC determines such Research Activities should be discontinued, or (d) the expiration or termination of the Research Term with respect to Collaboration Target 2 (the "**Series 2 Research Term**"). During the Series 2 Research Term, Sanofi will reimburse Kymera in accordance with Section 11.6.1 for Kymera's [***] actually incurred by or on behalf of Kymera or its Affiliates in connection with conducting Research activities under this Section 2.6.3; *provided* that if [***].

2.6.4 [***].

2.6.5 During the Research Term, within [***] after Kymera reasonably believes that it has identified a Collaboration Compound Directed Against Collaboration Target 2 that has satisfied [***], Kymera will present a written report to Sanofi that [***]. Sanofi may, in its discretion and through the JRDC, request any other information, results or data with respect to such Collaboration Compound as set forth more fully in Section 2.11.3. Within [***] after the delivery of such report (or such longer period of time as may be reasonably determined by the JRDC, but in no event longer than [***]), the JRDC will (a) meet, discuss and review the report and associated material data, results and information, and (b) determine whether such Collaboration Compound satisfies [***]. If the JRDC determines that such Collaboration Compound satisfies [***], then such Collaboration Compound will be classified as a Collaboration Candidate. If the JRDC does not believe that such Collaboration Compound satisfies [***], then Kymera will use diligent efforts during the remainder of the Research Term to conduct additional Research activities in accordance with the Research Plan, and thereafter present a report to the JRDC as and to the extent applicable in this Section 2.6. In the event that the JRDC does not agree on whether such Collaboration Compound satisfies [***], then such dispute will be resolved in accordance with Section 9.9.2(b)(iii). Any designation of a Collaboration Compound as a Collaboration Candidate by the JRDC, by the R&D Expert in accordance with Section 9.9.2(b)(iii) will be recorded in the minutes of the JRDC.

2.6.6 If the JRDC designates [***] Collaboration Candidates under Section 2.6.3, then Kymera will have no further obligation to conduct any further additional Research activities under this Section 2.6.

2.7 **Diligence; Decision-Making**.

2.7.1 On a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera, directly or through its Affiliates or Subcontractors, will [***].

2.7.2 Subject to Sections 2.4.7, 2.5.6 and 9.9.2(b)(i), on a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera will have the final decision-making authority with respect to the Research activities for the Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against such Collaboration Target under this Agreement prior to the Sanofi Participation Election Right Exercise (if any) with respect to such Collaboration Target, including the prioritization of the Research activities and allocation of resources among the Research activities; *provided* that any such decision is consistent with the terms and conditions of this Agreement.

2.8 [***].

2.8.1 Sanofi shall be entitled to conduct [***]. Sanofi also may, with Kymera's prior agreement, conduct additional Research activities (including [***]) under the Research Plan. Sanofi will obtain prior written consent from Kymera prior to [***].

2.8.2 Any and all [***] constitutes "**MTA Research Studies**," and all such MTA Research Studies will be documented in the applicable Research Plan or the relevant JRDC minutes.

2.9 **Transfer of Materials**.

2.9.1 To facilitate the conduct of activities under each Research Plan: (a) Sanofi may, at its election, provide Materials to Kymera to facilitate Kymera's Research activities under the Research Plan (in which case the transfer of such Materials shall be specified in the Research Plan or the minutes of the JRDC), and (b) Kymera will provide to Sanofi reasonable quantities of such Materials as are reasonably necessary to permit Sanofi to [***].

2.9.2 All Materials transferred pursuant to this Section 2.9 (a) will remain the sole property of the supplying Party (it being understood that jointly-owned Materials will remain jointly-owned, notwithstanding any physical transfer between the Parties), (b) will be used only in the fulfillment of the receiving Party's obligations or exercise of rights under this Agreement, (c) will remain solely under the control of the receiving Party, (d) will not be used or delivered by the receiving Party to or for the benefit of any Third Party (other than a permitted Subcontractor or Sublicensee) without the prior written consent of the supplying Party, and (e) will not be used in research or testing involving human subjects, unless expressly agreed in writing. The receiving Party will use the Materials in compliance with Applicable Laws and the terms and conditions of this Agreement, and will not reverse engineer or chemically analyze such Materials, except as specified in the Research Plan.

2.9.3 Any intellectual property generated by or on behalf of either Party in connection with the use of Materials transferred pursuant to this Section 2.9 will be governed by the following:

(a) Subject to the licenses granted under Article 10, the supplying Party will solely own all right, title and interest in and to any data, information, results and reports generated by or on behalf of either Party directly from the use of any transferred Materials that comprise Collaboration Compounds, Collaboration Candidates or Licensed Products, solely within any MTA Research Studies permitted and conducted under Section 2.8 (including [***]), and such data, information, results and reports will be shared with the supplying Party via the JRDC,

(b) Except as set forth in Section 2.9.3(a), all intellectual property created, conceived or generated by or on behalf of either Party using Collaboration Compounds, Collaboration Candidates or Licensed Products under this Agreement in connection with the MTA Research Studies will be governed by the provisions of this Agreement, including Article 10 and Article 12.

2.9.4 All Materials supplied under this Section 2.9 are supplied "as is", with no warranties of fitness for a particular purpose and must be used with prudence and appropriate caution in any experimental work, as not all of their characteristics may be known. The receiving Party assumes all liability for damages that may arise from its use, storage or disposal of the Materials. Except as otherwise set forth in this Agreement, the supplying Party will not be liable to the receiving Party for any loss, claim or demand made by the receiving Party, or made against the receiving Party by any Third Party, due to or arising from the use of the Materials under this Agreement, except to the extent such loss, claim or demand is caused by the gross negligence or willful misconduct of the supplying Party.

2.9.5 For clarity, the transfer of any material owned or Controlled by Sanofi other than Materials will be governed by a to-be-negotiated material transfer agreement.

2.10 **Subcontracting**. During the Research Term, Kymera may engage Approved Third Party Contractors to perform Research activities hereunder; *provided* that (a) each contract between Kymera and an Approved Third Party Contractor entered into after the Original Agreement Execution Date will include confidentiality and non-use provisions that are substantially similar to those set forth in Article 16 (or such other terms as are otherwise agreed by Sanofi) (but of duration customary in confidentiality agreements entered into for a similar purpose, *provided* that the duration of confidentiality for any information which constitutes a trade secret will be for as long as such information remains a trade secret under Applicable Law), (b) Kymera will remain at all times fully liable for the acts and omissions by such Approved Third Party Contractors under this Agreement as if they were acts or omissions by Kymera, (c) subject to Section 2.5.3, Kymera will be responsible for the effective and timely management of and payment of its Approved Third Party Contractors hereunder and (d) each contract between Kymera and an Approved Third Party Contractor entered into after the Original Agreement Execution Date will provide that [***].

2.11 **Records; Reporting**.

2.11.1 Each Party will maintain, and [***] to maintain, records of the Research activities under this Agreement in sufficient detail and in good scientific manner appropriate for scientific, patent and regulatory purposes, which will be complete and accurate in all material respects and will fully and properly reflect all work done, data and developments made, and results achieved.

2.11.2 Each Party will furnish to the JRDC, within [***] after the end of each Calendar Quarter, to the extent applicable to such Party, an update on such Party's progress under the Research Plan for the applicable Collaboration Target (including with respect to any MTA Research Studies or other activities governed by a separate material transfer agreement**)** during the relevant Calendar Quarter, including a summary of any results and data generated by such Party under such Research Plan and an overview of the resources (including a summary of all expenditures incurred by such Party in connection with such Research activities and reasonable documentation relating thereto, and an overview of FTEs used by such Party for such Research activities) allocated to activities under such Research Plan during the relevant Calendar Quarter. Such Party will provide the JRDC with such other information, results and data with respect to the Research activities under the Research Plan as any member of the JRDC may reasonably request that are in such Party's possession or control. Kymera will provide Sanofi a reasonable opportunity via the JRDC to discuss and provide input with respect to Kymera's Research activities under the Research Plan, including with respect to the prioritization of Research activities for Collaboration Compounds.

2.11.3 In addition to, and without limiting, the reporting requirements in Section 2.11.2, during the First Additional Degrader Research Term, Kymera will furnish to the JRDC, within [***], a written report on Kymera's Research activities with respect to Collaboration Compounds that are Researched under Section 2.4 and have the potential to be classified as First Additional Degraders. Such reports will [***]. Kymera will provide the JRDC with such other information, results and data with respect to the Research activities under Section 2.4 as any member of the JRDC may reasonably request that are in Kymera's possession or control.

2.11.4 In addition to, and without limiting, the reporting requirements in Section 2.11.2 or 2.11.3, during the Second Additional Degrader Research Term, Kymera will furnish to the JRDC, within [***], a written report on Kymera's Research activities with respect to Collaboration Compounds that are Researched under Section 2.5 and have the potential to be classified as Second Additional Degraders. Such reports will [***]. Kymera will provide the JRDC with such other information, results and data with respect to the Research activities under Section 2.5 as any member of the JRDC may reasonably request that are in Kymera's possession or control.

2.11.5 In the event that Sanofi has provided written notice to Kymera that [***], then, within [***] of the date of receipt of such written notice, Kymera will permit Sanofi to examine the relevant books and records of Kymera and its Affiliates, as may be reasonably necessary to verify the reports provided by Kymera in accordance with Section 2.11.2 or 2.11.3; provided that such examination will be subject to customary and reasonable

due diligence procedures to preserve the confidential nature of any books or records. An examination by Sanofi under this Section 2.11.5 (a) will occur not more than [***], (b) will be limited to the pertinent books and records for any Calendar Year ending not more than [***]before the date of the written notice, (c) will be conducted in such a manner to minimize, to the extent reasonably possible, the period of examination and in no case shall such period exceed [***], and (d) will be conducted by the minimum number of Sanofi employees as necessary to provide requisite subject matter expertise and conduct the review in the allotted timeframe, each of whom shall have appropriate experience in the Research of small molecule compounds and candidates; provided, that if any examination by Sanofi under this Section 2.11.5 reveals any material discrepancy, Kymera will permit Sanofi to conduct additional examination of pertinent books and records for Calendar Years ending not more than [***] before the date of the written notice, during a period limited to minimize the days of examination as much as possible and in no case more than [***]. Sanofi will be provided access to such books and records at Kymera's facility or facilities where such books and records are normally kept and such examination will be conducted during Kymera's normal business hours. Upon completion of the examination, Sanofi will provide Kymera and the JRDC a written report disclosing the reason(s) for the difference between the relevant report provided by Kymera and the results and data that should have been generated and the activities that should have been conducted by Kymera during the relevant time. The costs and fees of any examination conducted by Sanofi under this Section 2.11.5 will be borne by Sanofi.

ARTICLE 3
EARLY DEVELOPMENT

3.1 **Early Development Activities**.

3.1.1 With respect to Collaboration Target 1, during the Research Term prior to Sanofi's exercise of the Sanofi Participation Election Right with respect to Collaboration Target 1, the terms and conditions set forth in this Section 3.1.1 will apply.

(a) Kymera will be solely responsible for (a) conducting all Pre-Clinical Development of Collaboration Candidates and Licensed Products that are Directed Against Collaboration Target 1 in the Field in the Territory, (b) filing all INDs for all Collaboration Candidates and Licensed Products Directed Against Collaboration Target 1 in the Field in the Territory, and (c) for conducting the Kymera Phase 1 Clinical Trials therefor, in each case ((a)-(c)) in accordance with the Early Development Plan (the "**Early Development Activities**"); *provided* that, following the Restatement Effective Date, Kymera will only be required to conduct [***]. For example, Kymera may conduct the [***], but shall not be required to [***].

(b) [***], and subject to the last sentence of this Section 3.1.1(b), Sanofi will be solely responsible for [***], to conduct [***] pursuant to the Phase 2 Development Plan; provided that, subject to any [***], (i) Sanofi shall use Commercially Reasonable Efforts to [***], (ii) [***] Sanofi shall use Commercially Reasonable Efforts to [***] and (iii) Sanofi must [***]. The Parties acknowledge and agree that [***] to determine whether the applicable [***] that are conducted by Sanofi under this Section 3.1.1(b) are designed as [***]; provided, for clarity, that all [***] will be determined in accordance with, and as defined by, Applicable Law and the definitions set forth herein.

(c) No later than [***] prior to the expected submission of a clinical trial protocol for each Phase 2 Clinical Trial sponsored by Sanofi pursuant to the Phase 2 Development Plan, Sanofi shall provide Kymera with such protocol for each such trial, and within [***] of receipt of such protocol, Kymera may provide Sanofi with comments to such protocol, which Sanofi shall consider in good faith (each such protocol, a "**Phase 2 Protocol**"); provided that, [***]. [***] shall be permitted to make amendments to the Phase 2 Protocol; provided that, it shall promptly notify [***] of any material changes to any Phase 2 Protocol.

(d) The initial Phase 2 Development Plan as agreed by the Parties as of the Restatement Execution Date is attached as Schedule 3.1.1(d), and sets forth the high-level details with respect to the [***] (the "**Phase 2 Development Plan**"). Each Party may propose amendments to the Phase 2 Development Plan at any time. Such Party will promptly provide any such proposed amendment to the Phase 2 Development Plan to the JRDC for review and discussion. No update or amendment to the Phase 2 Development Plan will be effective unless and until approved by the JRDC in accordance with Section 9.2.2(b); provided that, [***].

(e) The Parties acknowledge that pursuant to the Original Agreement any Phase 2 Clinical Trial with respect to [***] would have constituted an activity occurring during the Sanofi Participation Term under the Late Development Plan. However, pursuant to this Agreement, any such Phase 2 Clinical Trials for [***] conducted prior to Sanofi's Participant Election Deadline shall be deemed activities occurring during the Research Term. [***].

(f) All Development activities conducted under Section 3.1.1(b) for the Phase 2 Clinical Trials for [***] by or on behalf of Sanofi pursuant to the Phase 2 Development Plan will be the "**Phase 2 Activities**."

(g) The Parties will be responsible for the costs and expenses of the Development activities contemplated in this Section 3.1.1 in accordance with Section 11.6.4.

3.1.2 With respect to Collaboration Target 2, during the Research Term prior to Sanofi's exercise of the Sanofi Participation Election Right with respect to Collaboration Target 2, Kymera will be solely responsible, at its cost and expense and in accordance with the applicable Early Development Plan, for (a) conducting all Pre-Clinical Development of Collaboration Candidates and Licensed Products Directed Against Collaboration Target 2 in the Field in the Territory, and (b) filing the first IND therefor for the first Indication in the Field in the first Major Market Country, in each case ((a)-(b)) in accordance with the Early Development Plan.

3.2 **Early Development Plan**.

3.2.1 On a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera will conduct its Development activities under Section 3.1 for the Collaboration Candidates and Licensed Products Directed Against each Collaboration Target in the Field in accordance with a written plan (the "**Early Development Plan**") that includes [***]. A copy of the current Early Development Plan as of the Restatement Execution Date is attached hereto as Schedule 3.2.1. Any amendments to the Early Development Plan will

be subject to Section 3.2.2 and Section 9.2.2(b). In the event of any inconsistency between the Early Development Plan and this Agreement, the terms of this Agreement will prevail.

3.2.2 Kymera may propose amendments to the Early Development Plan at any time to reflect any material developments or adjustments to the applicable Development activities, *provided* that (a) any such amended Early Development Plan will at all times meet the requirements set forth in Section 3.2.1, and (b) in no event will Sanofi conduct any activities under the Early Development Plan except as *provided* in Section 3.1, Section 3.2.3, Section 3.4 or as otherwise mutually agreed by the Parties. Kymera will promptly provide any such proposed amendment to the Early Development Plan to the JRDC for review and discussion. No update or material amendment to the Early Development Plan will be effective unless and until approved by the JRDC in accordance with Section 9.2.2(b).

3.2.3 Sanofi may propose amendments to the Early Development Plan at any time to include [***] to be conducted by or on behalf of Sanofi [***]. Sanofi will promptly provide any such proposed amendment to the Early Development Plan to the JRDC for review and discussion. No update or material amendment to the Early Development Plan will be effective unless and until approved by the JRDC in accordance with Section 9.2.2(b); provided that, Sanofi shall have final decision-making authority in the event that such [***].

3.3 **Diligence; Decision-Making**.

3.3.1 On a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera, directly or through its Affiliates or Subcontractors, will (a) [***] (b) use Commercially Reasonable Efforts to Research and Develop one (1) Collaboration Candidate that achieves Successful Completion for Collaboration Target 2, (c) use Commercially Reasonable Efforts to Research and Develop one (1) Collaboration Candidate that achieves Successful Completion for Collaboration Target 1, and (d) use Commercially Reasonable Efforts to conduct the Kymera Existing Phase 1 Clinical Trial.

3.3.2 Subject to Section 9.9.2(b)(i), on a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera will have the final decision-making authority with respect to its Development activities for the Collaboration Candidates and Licensed Products Directed Against such Collaboration Target under this Agreement prior to the Sanofi Participation Election Right Exercise (if any) with respect to such Collaboration Target, including the prioritization of its Development activities and the allocation of resources among the Development activities; *provided* that any such decision is consistent with the terms and conditions of this Agreement. In the event that a Material Safety Event occurs in connection with any Clinical Trials conducted by or on behalf of Kymera, then Kymera will have the right, at its sole election, to wind-down such Clinical Trials in accordance with Applicable Law.

3.3.3 Subject to Section 9.9.2(b)(i), during the Research Term, Sanofi will have the final decision-making authority with respect to [***]; *provided* that any such decision is consistent with the terms and conditions of this Agreement. In the event that a Material Safety Event occurs in connection with any Phase 2 Clinical Trial that Sanofi is

conducting for [***], then Sanofi will have the right, at its sole election, to wind-down such Phase 2 Clinical Trial in accordance with Applicable Law.

3.4 [***]

3.4.1 Sanofi shall be entitled to conduct [***]. Sanofi also may, with Kymera's prior agreement, conduct additional Development activities (including [***]) under the Early Development Plan; provided that, for the avoidance of doubt, no such consent shall be required for Sanofi to perform the Phase 2 Activities. Sanofi will obtain prior written consent from Kymera prior to [***].

3.4.2 Any and all [***] permitted and conducted under Section 3.4.1, collectively, constitute "**MTA Development Studies**," and all such MTA Development Studies will be documented in the applicable Early Development Plan or the relevant JRDC minutes.

3.5 **Transfer of Materials**.

3.5.1 To facilitate the conduct of activities under each Early Development Plan: (a) Sanofi may, at its election, provide Materials to Kymera to facilitate Kymera's Development activities under the Early Development Plan (in which case the transfer of such Materials shall be specified in the Early Development Plan or the minutes of the JRDC), and (b) Kymera will provide to Sanofi reasonable quantities of such Materials as are reasonably necessary to permit Sanofi to conduct [***].

3.5.2 All Materials transferred pursuant to this Section 3.5 (a) will remain the sole property of the supplying Party (it being understood that jointly-owned Materials will remain jointly-owned, notwithstanding any physical transfer between the Parties), (b) will be used only in the fulfillment of the receiving Party's obligations or exercise of rights under this Agreement, (c) will remain solely under the control of the receiving Party, (d) will not be used or delivered by the receiving Party to or for the benefit of any Third Party (other than a permitted Subcontractor or Sublicensee) without the prior written consent of the supplying Party, and (e) will not be used in research or testing involving human subjects, unless expressly agreed in writing. The receiving Party will use the Materials in compliance with Applicable Laws and the terms and conditions of this Agreement, and will not reverse engineer or chemically analyze such Materials, except as specified in the Early Development Plan.

3.5.3 Any intellectual property generated by or on behalf of either Party in connection with the use of Materials transferred pursuant to this Section 3.5 will be governed by the following:

(a) Subject to the licenses granted under Article 10, the supplying Party will solely own all right, title and interest in and to any data, information, results and reports generated by or on behalf of either Party directly from the use of any transferred Materials that comprise Collaboration Compounds, Collaboration Candidates or Licensed Products, solely within any MTA Development Studies permitted and conducted under Section 3.5.1, and such data, information, results and reports will be shared with the supplying Party via the JRDC;

(b) Except as set forth in Section 3.5.3(a), all intellectual property created, conceived or generated by or on behalf of either Party using Collaboration Compounds, Collaboration Candidates or Licensed Products under this Agreement in connection with the MTA Development Studies will be governed by the provisions of this Agreement, including Article 10 and Article 12.

3.5.4 All Materials supplied under this Section 3.5 are supplied "as is", with no warranties of fitness for a particular purpose and must be used with prudence and appropriate caution in any experimental work, as not all of their characteristics may be known. The receiving Party assumes all liability for damages that may arise from its use, storage or disposal of the Materials. Except as otherwise set forth in this Agreement, the supplying Party will not be liable to the receiving Party for any loss, claim or demand made by the receiving Party, or made against the receiving Party by any Third Party, due to or arising from the use of the Materials under this Agreement, except to the extent such loss, claim or demand is caused by the gross negligence or willful misconduct of the supplying Party.

3.5.5 For clarity, the transfer of any material owned or Controlled by Sanofi other than Materials will be governed by a to-be-negotiated material transfer agreement.

3.6 **Subcontracting**. During the Research Term, Kymera may engage Approved Third Party Contractors to perform Development activities hereunder; (a) each contract between Kymera and an Approved Third Party Contractor entered into after the Original Agreement Execution Date will be consistent with the provisions of this Agreement, including Section 12.1, and will include confidentiality provisions that are at least as restrictive as those described in Article 16, (b) Kymera will remain at all times fully liable for the acts and omissions such Approved Third Party Contractors under this Agreement as if they were acts or omissions by Kymera, and (c) Kymera will be responsible for the effective and timely management of and payment of its Approved Third Party Contractors hereunder. The engagement of any Approved Third Party Contractor in compliance with this Section 3.6 will not relieve Kymera of its obligations under this Agreement. Additionally, Sanofi may engage Third Party contractors to perform the Phase 2 Activities; provided that, (a) each contract between Sanofi and a Third Party contractor entered into after the Restatement Execution Date will be consistent with the provisions of this Agreement, including Section 12.1, and will include confidentiality provisions that are at least as restrictive as those described in Article 16, (b) Sanofi will remain at all times fully liable for the acts and omissions such Third Party contractors under this Agreement as if they were acts or omissions by Sanofi, (c) Sanofi will be responsible for the effective and timely management of and payment of its Third Party contractors hereunder and (d) the engagement of any Approved Third Party Contractor in compliance with this Section 3.6 will not relieve Sanofi of its obligations under this Agreement.

3.7 **Records; Reporting**.

3.7.1 Each Party will maintain, and [***] to maintain, records of the Development activities under this Agreement in sufficient detail and in good scientific manner appropriate for scientific, patent and regulatory purposes, which will be complete and accurate in all material respects and will fully and properly reflect all work done, data and developments made, and results achieved.

(a) The Parties acknowledge and agree that, prior to the Restatement Effective Date, Kymera provided to Sanofi the Pre-Clinical and SAD/MAD Data Package for the Kymera Existing Phase 1 Clinical Trial, the MAD Data Package, the Phase 1 Patient Data Package for the Kymera Existing Phase 1 Clinical Trial and the Remaining Patient Data Package. [***].

3.7.2 Each Party will furnish to the JRDC, within [***], to the extent applicable to such Party, an update on such Party's progress under the Early Development Plan or the Phase 2 Development Plan (as applicable) for the applicable Collaboration Target (including with respect to any MTA Development Studies or other activities governed by a separate material transfer agreement) during the relevant Calendar Quarter, including a summary of any results and data generated by such Party under such Early Development Plan or the Phase 2 Development Plan (as applicable) and an overview of the resources (including a summary of all expenditures incurred by such Party in connection with such Development activities and reasonable documentation relating thereto, and an overview of FTEs used by such Party for such Development activities), allocated to activities under such Early Development Plan or the Phase 2 Development Plan (as applicable) during the relevant Calendar Quarter. Such Party will provide the JRDC with such other information, results and data with respect to the Development activities under the Early Development Plan or the Phase 2 Development Plan (as applicable) as any member of the JRDC may reasonably request that are in such Party's possession or control. Each Party will provide the other Party a reasonable opportunity via the JRDC to discuss and provide input with respect to such Party's Development activities under the Early Development Plan or the Phase 2 Development Plan (as applicable), including with respect to the prioritization of Development activities for Collaboration Candidates and Licensed Products.

3.7.3 In the event that Sanofi has *provided* written notice to Kymera (including via the JRDC) that [***], then, within [***] of the date of receipt of such written notice, Kymera will permit Sanofi to examine the relevant books and records of Kymera and its Affiliates, as may be reasonably necessary to verify the Research updates and progress reports submitted by Kymera in accordance with this Section 3.7; *provided* that such examination will be subject to customary and reasonable due diligence procedures to preserve the confidential nature of any books or records. An examination by Sanofi under this Section 3.7.3 (a) will occur not more than [***], (b) will be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the written notice, (c) will be conducted in a such a manner to minimize, to the extent reasonably possible, the period of examination and in no case shall such period exceed [***], and (d) will be conducted by the minimum number of Sanofi employees as necessary to provide requisite subject matter expertise and conduct the review in the allotted timeframe, each of whom shall have appropriate experience in the Development of small molecule compounds and candidates; *provided*, that if any examination by Sanofi under this Section 3.7.3 reveals any material discrepancy, Kymera will permit Sanofi to conduct additional examination of pertinent books and records for Calendar Years ending not more than [***] before the date of the written notice, during a period limited to minimize the days of examination as much as possible and in no case more than [***]. Sanofi will be *provided* access to such books and records at Kymera's facility or facilities where such books and records are normally kept and such examination will be conducted during Kymera's normal business hours. Upon completion of the examination, Sanofi will provide Kymera and the JRDC a written report disclosing the

reason(s) for the difference between the relevant report provided by Kymera and the results and data that should have been generated and the activities that should have been conducted by Kymera during the relevant time. The costs and fees of any examination conducted by Sanofi under this Section 3.7.3 will be borne by Sanofi.

ARTICLE 4
SANOFI PARTICIPATION ELECTION RIGHT

4.1 **Sanofi Participation Election Right**. On a Collaboration Target-by-Collaboration Target basis, during the Research Term, Kymera hereby grants to Sanofi an exclusive right, exercisable in Sanofi's sole discretion, to continue, in collaboration with Kymera as specified herein, the Research, Development, Manufacture and Commercialization of Collaboration Candidates and Licensed Products Directed Against such Collaboration Target (each a "**Sanofi Participation Election Right**").

4.1.1 **Participation Data Package**. Except in the case of a Phase 2 Trigger Point, on a Collaboration Target-by-Collaboration Target basis, within [***] after the Trigger Point for a given Collaboration Target, Kymera will provide Sanofi with the Participation Data Package with respect to such Collaboration Target, and Sanofi will use such Participation Data Package (and any additional information provided by Kymera pursuant to this Article 4) solely to determine whether to exercise the corresponding Sanofi Participation Election Right with respect to such Collaboration Target. Additionally, Kymera will make all data within the Participation Data Package for such Collaboration Target available to Sanofi through an electronic data room. [***] For clarity, Kymera will not be required to provide Sanofi with the Participation Data Package in the event of a Phase 2 Trigger Point.

4.2 **Incomplete Participation Data Package**. On a Collaboration Target-by-Collaboration Target basis, if such Participation Data Package for a given Collaboration Target is incomplete, Sanofi may notify Kymera of the incomplete status of such Participation Data Package in writing including any items that, in Sanofi's reasonable determination made in good faith, should have been included in the Participation Data Package but were not included therein within [***] after receipt thereof. Following receipt of such notice, Kymera will promptly deliver to Sanofi the additional information requested by Sanofi to complete such Participation Data Package. For clarity, delivery of such incomplete Participation Data Package will not trigger the [***] period after which the Sanofi Participation Election Deadline would occur pursuant to Section 4.3, but such [***] period after which the Sanofi Participation Election Deadline would occur pursuant to Section 4.3 will thereafter be triggered on the date of Sanofi's receipt of the additional information requested by Sanofi to complete such Participation Data Package.

4.2.1 **Due Diligence Following Participation Data Package**. On a Collaboration Target-by-Collaboration Target basis, following the date of delivery of the Participation Data Package for a given Collaboration Target, to assist Sanofi in conducting thorough due diligence to decide whether to exercise the corresponding Sanofi Participation Election Right with respect to such Collaboration Target, Kymera will afford to Sanofi and its representatives reasonable access during normal business hours to Kymera's personnel, records and data, offices, laboratories, and manufacturing and supplier sites that Sanofi may reasonably request regarding such Collaboration Target and Collaboration Candidates and

Licensed Products Directed Against such Collaboration Target; *provided* that such obligation to supply such records, data and information will be limited to those records, data and information then available to Kymera and will be subject to customary and reasonable due diligence procedures to preserve the confidential nature of any such information.

4.3 **Exercise of Participation Election Right**. On a Collaboration Target-by-Collaboration Target basis, during the Research Term, Sanofi will have the right, in its sole discretion, to exercise the Sanofi Participation Election Right (each such exercise, the "**Sanofi Participation Election Right Exercise**") for a given Collaboration Target by delivering to Kymera written notice of such exercise (each such notice, the "**Sanofi Participation Election Right Exercise Notice**") within [***] after either the date of delivery of the Participation Data Package with respect to such Collaboration Target or the date of the Phase 2 Trigger Point, as applicable (the end of such [***] period, the "**Sanofi Participation Election Deadline**"). If Sanofi provides the Sanofi Participation Election Right Exercise Notice prior to the Sanofi Participation Election Deadline with respect to such Collaboration Target, then the date of receipt of such Sanofi Participation Election Right Exercise Notice will be the "**Sanofi Participation Election Effective Date**" with respect to such Collaboration Target.

4.4 **No Participation Election Right Exercise**. On a Collaboration Target-by-Collaboration Target basis, if Sanofi declines to exercise its Sanofi Participation Election Right or fails to provide a Sanofi Participation Election Right Exercise Notice in accordance with Section 4.3 with respect to a Collaboration Target, in each case, prior to the Sanofi Participation Election Deadline for such Sanofi Participation Election Right, then (a) the Sanofi Participation Election Right will expire and be of no further force or effect with respect to such Collaboration Target, (b) such Collaboration Target will no longer be a Collaboration Target and this Agreement will automatically terminate with respect to such Collaboration Target in accordance with Section 15.2.1 with such Collaboration Target becoming a Terminated Target, and (c) except as set forth in Section 5.6.7, Kymera will retain all right, title and interest in and to such Collaboration Target, including with respect to all Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against such Collaboration Target. For the avoidance of doubt, [***].

ARTICLE 5
DEVELOPMENT AFTER SANOFI PARTICIPATION ELECTION

5.1 **Generally**. On a Collaboration Target-by-Collaboration Target basis, during the Sanofi Participation Term (if any) with respect to a Collaboration Target and subject to Kymera's obligations under Sections 2.4, 2.5 and 5.2 and the Kymera Opt-In Right, Sanofi will be solely responsible for all further Research and Development of Collaboration Candidates and Licensed Products (but not, for clarity, Excluded Compounds) Directed Against such Collaboration Target in the Field (but not, for clarity, in the Excluded Field) in the Territory in accordance with the terms and conditions of this Agreement. For clarity, [***].

5.2 **Transfer**. To the extent not already completed pursuant to Section 3.7.2:

5.2.1 On a Collaboration Target-by-Collaboration Target basis, Kymera will promptly (but no later than [***]) following the Sanofi Participation Election Effective Date with respect to a Collaboration Target (if any), transfer to Sanofi or its designated Affiliate a

copy of all Licensed Know-How and Regulatory Filings (if applicable) related to Collaboration Candidates and Licensed Products Directed Against such Collaboration Target in its possession or control as of such Sanofi Participation Election Effective Date, including any documentation (whether held in paper or electronic format) or similar removable media (including e-mails, documents, spreadsheets, copies of standard operating procedures or technical specifications); *provided* that any documentation transferred electronically will be in an electronic format reasonably acceptable to Sanofi.

5.2.2 During the Sanofi Participation Term (if any), on a Collaboration Target-by-Collaboration Target basis, (a) Kymera shall disclose to Sanofi on a [***] basis any Licensed Know-How created, generated, invented or developed by or on behalf of Kymera under this Agreement and not previously transferred to Sanofi pursuant to Section 5.2.1, and (b) in the event that Sanofi or Kymera reasonably believes additional Licensed Know-How is necessary for the continued Research, Development or Commercialization of the Collaboration Candidates or Licensed Products Directed Against such Collaboration Target, Sanofi may reasonably request a copy of such additional Licensed Know-How from Kymera. Sanofi and Kymera will discuss in good faith and Kymera will transfer to Sanofi a copy of such additional Licensed Know-How in Kymera's possession or control, including any documentation (whether held in paper or electronic format) or similar removable media (including e-mails, documents, spreadsheets, copies of standard operating procedures or technical specifications), following mutual agreement by the Parties; *provided* that any documentation transferred electronically will be in an electronic format reasonably acceptable to Sanofi.

5.2.3 To assist with the transfer of Licensed Know-How (excluding CMC) under this Section 5.2 and Sanofi's exploitation thereof in accordance with the terms of this Agreement, for [***] after the Sanofi Participation Election Effective Date with respect to a Collaboration Target (if any), Kymera will make its personnel reasonably available to Sanofi during normal business hours to transfer such Licensed Know-How to Sanofi and respond to Sanofi's reasonable inquiries with respect thereto; *provided* that if Kymera fails to timely and fully complete the technology transfer set forth in Section 5.2.1, the JRDC will agree on a reasonable extension of time during which Kymera will make its personnel reasonably available. Following such [***] period with respect to such Collaboration Target (as it may be extended by the JRDC), upon Sanofi's request, Kymera will make up to [***] of its personnel that worked on the applicable Collaboration Target reasonably available to Sanofi during normal business hours at a mutually agreeable date and time to transfer such Licensed Know-How (excluding CMC) to Sanofi and respond to Sanofi's reasonable inquiries with respect thereto, *provided* that, following such period with respect to a Collaboration Target, such assistance with respect to such Collaboration Target will not exceed [***] of time provided by Kymera employees unless otherwise agreed by Kymera. All assistance provided pursuant to this Section 5.2.3 will be at [***] sole cost and expense; *provided* that, [***].

5.2.4 [***].

5.2.5 On a Collaboration Target-by-Collaboration Target basis, at Sanofi's reasonable request following the Sanofi Participation Election Effective Date with respect to a Collaboration Target (if any), Kymera will use Commercially Reasonable Efforts to

facilitate the establishment of a business relationship between Sanofi and any Approved Third Party Contractor that Kymera has engaged in the Research or Development activities of Collaboration Candidates or Licensed Products Directed Against the applicable Collaboration Target, including by facilitating introductions with such Approved Third Party Contractors, and use Commercially Reasonable Efforts to assign to Sanofi any agreements with any such Approved Third Party Contractor that are exclusively related to such Collaboration Target in the Field.

5.2.6 On a Collaboration Target-by-Collaboration Target basis, if the Sanofi Participation Election Right was triggered by a Trigger End Date for such Collaboration Target, the following additional provisions will apply:

(a) If Kymera is performing ongoing Research activities under the relevant Research Plan, then Kymera will, at Sanofi's election, either (i) complete those Research activities remaining under the relevant Research Plan at Sanofi's expense, or (ii) transfer such activities to Sanofi, which such transfer will include any support necessary for Sanofi to complete the remainder of such activities without unnecessary delay in timelines or unnecessary incremental expense.

(b) If Kymera is performing ongoing Development activities under the Early Development Plan, then Kymera will (i) with respect to Clinical Trials, complete those Clinical Trials ongoing as of the Sanofi Participation Election Effective Date at Sanofi's expense, and (ii) with respect to Pre-Clinical Development activities, (A) if such activities can be completed within [***] after the Sanofi Participation Election Effective Date, complete such activities, or (B) if such activities cannot be completed within [***] after the Sanofi Participation Election Effective Date, transfer such activities to Sanofi, which transfer will include any transfer support necessary for Sanofi to complete the remainder of the Early Development Plan without unnecessary delay in timelines or unnecessary incremental expense.

(c) Sanofi will reimburse Kymera for all reasonable and documented [***] incurred by or on behalf of Kymera or its Affiliates in the performance of its obligations in this Section 5.2.6.

5.3 **Late Development Plan**.

5.3.1 During the Sanofi Participation Term (if any), on a Collaboration Target-by-Collaboration Target basis, Sanofi will Research and Develop Collaboration Candidates and Licensed Products Directed Against such Collaboration Target in the Field in the Territory in accordance with a written plan (the "**Late Development Plan**") that [***]. An initial draft of the Late Development Plan is attached as Schedule 5.3.1.

5.3.2 Sanofi will promptly (but no later than [***]) following the Sanofi Participation Election Effective Date with respect to a Collaboration Target (if any) prepare, in consultation with Kymera through the JSC, an updated Late Development Plan for JSC review and approval in accordance with Section 5.3.3.

5.3.3 During the Opt-In Period, on a Collaboration Target-by-Collaboration Target basis:

(a) The Late Development Plan will contain a plan for Development activities to be undertaken by the Parties until [***] (the "**U.S. Development Activities**"), which plan will include an anticipated [***] budget of U.S. Development Costs for all activities conducted by the Parties in connection therewith (the "**U.S. Development Budget**"). On or before [***] during the Opt-In Period, Sanofi will provide to the JSC the then-current Late Development Plan (if any) for the Opt-In Products Directed Against such Collaboration Target, which will include a rolling [***] year U.S. Development Budget. The [***] of the initial U.S. Development Budget will be binding, and [***] of the U.S. Development Budget will be binding only to the extent that Sanofi provides such budget to Kymera after it has completed all necessary internal approvals, otherwise such [***] in such initial U.S. Development Budget will be non-binding. Subsequent Calendar Years of the U.S. Development Budget will be non-binding. The U.S. Development Budget, and each update thereto, will be prepared by the Parties based on each Party's good faith estimation, consistent with its standard internal practices, of the probable Development activities to be conducted during the relevant U.S. Development Budget period for the United States, and based on and consistent with the documents and information related to the Licensed Products prepared by such Party for its internal use and reference in the budgeting process. Upon request by a Party, the JSC will discuss the appropriate level of detail to include in the U.S. Development Budget for the applicable Development activities to be performed during the period covered by such U.S. Development Budget.

(b) The Parties will (i) review the Late Development Plan at least annually during the period covered by such Late Development Plan for the purpose of considering appropriate amendments thereto to be proposed to the JSC and (ii) then no later than [***] of the then-current Calendar Year beginning with the first full Calendar Year of the Late Development Plan, provide the JSC with a proposed updated Late Development Plan for the JSC's review and discussion.

(c) Annual updates to the U.S. Development Budget will contain a proposed U.S. Development Budget covering [***], in accordance with the requirements set forth in this Section 5.3.3. The annual updates to the U.S. Development Budget for the United States will further contain any proposed Development activities that were not previously included as Development activities in the then-current Late Development Plan (including any new Indications).

(d) In addition to the annual updates, either Party, through its representatives on the JSC, may propose amendments to any Late Development Plan at any time until such time as no further Development activities are occurring or expected to occur under such Late Development Plan, including amendments to add Development activities to such Late Development Plan (including new Indications). In addition, at least [***], Sanofi will prepare an updated Late Development Plan (including an updated U.S. Development Budget) for JSC review in accordance with Section 9.1.2.

(e) Subject to Section 9.9.2(b)(ii), during the applicable Opt-In Period, no annual update or material amendment to the Late Development Plan will be effective unless and until approved by the JSC.

(f) Subject to Section 9.9.2(b)(ii), during the applicable Opt-In Period, any additional amendments to the Late Development Plan will be subject to JSC approval in accordance with Sections 5.3 and 9.1.2. In the event of any inconsistency between the Late Development Plan and this Agreement, the terms of this Agreement will prevail.

5.4 **Diligence**. On a Collaboration Target-by-Collaboration Target basis, during the Sanofi Participation Term, Sanofi will (a) [***], and (b) use Commercially Reasonable Efforts to (i) Develop and (ii) seek Marketing Approval for, in each case ((i)-(ii)), at least one (1) Licensed Product Directed Against such Collaboration Target in at least one (1) Indication in the Field in [***].

5.5 **Backup Degraders**.

5.5.1 If, [***], Kymera will, upon Sanofi's written request [***], perform additional Research activities, including to identify and synthesize Backup Degraders ("**Backup Research**"), in accordance with this Section 5.5; *provided* that Sanofi will not have a right to request such Backup Research with respect to a Collaboration Target after the first Marketing Approval of a Licensed Product Directed Against such Collaboration Target.

5.5.2 Prior to Kymera commencing any Backup Research for such Collaboration Target, Kymera will notify Sanofi of any Reversion Compounds which are subject to any Pre-Existing Restrictions, and the Parties will mutually agree (such agreement not to be unreasonably withheld, conditioned or delayed) upon a reasonable written plan for such Backup Research (the "**Backup Research Plan**"), which will include [***] (the "**Backup Research Budget**"). Sanofi may only include in the Backup Research Plan any Reversion Compounds which are not subject to Pre-Existing Restrictions at the time the Backup Research Plan is prepared; thereafter, any such Reversion Compound will no longer be classified as a "Reversion Compound" and instead will be classified as a "Collaboration Compound" under the Backup Research Plan.

5.5.3 During the Backup Research Term, either Party may, at any time, propose updates or amendments to any Backup Research Plan, which updates or amendments will only become effective by mutual agreement of the Parties.

5.5.4 Following the Parties' agreement on a Backup Research Plan, during the Backup Research Term, Kymera, directly or through its Affiliates or Subcontractors, will use diligent efforts to perform the Backup Research in accordance with such Backup Research Plan, in a professional and timely manner and in accordance with all Applicable Laws.

5.5.5 Sanofi will reimburse Kymera in accordance with Section 11.6.3 for Kymera's [***] actually incurred by or on behalf of Kymera or its Affiliates (a) during the Backup Research Term, (b) in accordance with the Backup Research Budget, and (c) in connection with conducting Backup Research activities under this Section 5.5 in accordance with the Backup Research Plan.

5.5.6 [***].

5.5.7 During the Backup Research Term, Kymera will use the screening assays in accordance with the procedures set forth in the Backup Research Plan to determine whether a given Degrader that is Researched under this Section 5.5 satisfies the Screening Criteria or the Backup Degrader Criteria. All Degraders that meet the Screening Criteria during the Backup Research Term will be Collaboration Compounds under this Agreement, subject to the reversion rights set forth in Section 5.6. Notwithstanding anything herein to the contrary, any Degraders that are Researched by or on behalf of Kymera under this Section 5.5 that do not meet the Screening Criteria will be classified as Excluded Compounds, unless [***].

5.5.8 During the Backup Research Term, Kymera will furnish to the JRDC, within [***], an update on Kymera's progress under the Backup Research Plan for the applicable Collaboration Target during the relevant Calendar Quarter, including a summary of any results and data generated by Kymera under such Backup Research Plan and an overview of the resources (including an overview of FTEs used by such Party for such Backup Research activities) allocated to activities under such Backup Research Plan during the relevant Calendar Quarter. Kymera will provide the JRDC with such other information, results and data with respect to the Backup Research activities under the Backup Research Plan as any member of the JRDC may reasonably request that are in Kymera's possession or control. Kymera will provide Sanofi a reasonable opportunity via the JRDC to discuss and provide input with respect to Kymera's Backup Research activities under the Backup Research Plan, including with respect to the prioritization of Backup Research activities.

5.5.9 In addition to, and without limiting, the reporting requirements in Section 5.5.8, during the Backup Research Term, Kymera will furnish to the JRDC, within [***], a written report on Kymera's Backup Research activities with respect to Collaboration Compounds that are Researched under Section 5.5.5 and have the potential to be classified as Backup Degraders. Such reports will [***].

5.5.10 During the Backup Research Term, within [***] after Kymera reasonably believes that it has identified a Collaboration Compound that satisfies all of the Backup Degrader Criteria, Kymera will present a written report to Sanofi that identifies such Collaboration Compound [***]. Sanofi may, in its discretion and through the JRDC, request any other information, results or data with respect to such Collaboration Compound as set forth more fully in Section 5.9.2. Within [***] after the delivery of such report (or such longer period of time as may be reasonably determined by the JRDC, but in no event longer than [***]), the JRDC will (a) meet, discuss and review the report and associated data, results and information and (b) determine whether such Collaboration Compound satisfies the Backup Degrader Criteria. If the JRDC determines that such Collaboration Compound satisfies the Backup Degrader Criteria, then such Collaboration Compound will be classified as a "**Backup Degrader**" under this Agreement. If the JRDC does not believe that such Collaboration Compound satisfies the Backup Degrader Criteria, then Kymera will use diligent efforts to conduct additional Research activities during the remainder of the Backup Research Term in accordance with the Backup Research Plan, and thereafter present a report to the JRDC as and to the extent applicable in this Section 5.5.10. In the event that the JRDC does not agree on whether such Collaboration Compound satisfies the Backup Degrader Criteria, then such dispute will be resolved in accordance with Section 9.9.2(b). Notwithstanding the foregoing, Sanofi may determine, in its sole discretion, that a Collaboration Compound that satisfies at

least certain of the Backup Degrader Criteria during the Backup Research Term will be selected as a "Backup Degrader" notwithstanding that it does not satisfy all of the Backup Degrader Criteria. Any selection of a Collaboration Compound as a Backup Degrader by the JRDC, by the R&D Expert in accordance with Section 9.9.2(b), or by Sanofi pursuant to the preceding sentence, will be recorded in the minutes of the JRDC.

5.5.11 In the event that Sanofi has *provided* written notice to Kymera (including via the JRDC) that [***], then, within [***] of the date of receipt of such written notice, Kymera will permit Sanofi to examine the relevant books and records of Kymera and its Affiliates, as may be reasonably necessary to verify the Backup Research updates and progress reports submitted by Kymera in accordance with this Section 5.5; *provided* that such examination will be subject to customary and reasonable due diligence procedures to preserve the confidential nature of any books or records. An examination by Sanofi under this Section 5.5.11 (a) will occur not more than [***], (b) will be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the written notice, (c) will be conducted in such a manner to minimize, to the extent reasonably possible, the period of examination and in no case shall such period exceed [***], and (d) will be conducted by the minimum number of Sanofi employees as necessary to provide requisite subject matter expertise and conduct the review in the allotted timeframe, each of whom shall have appropriate experience in the Research of small molecule compounds and candidates; *provided*, that if any examination by Sanofi under this Section 5.5.11 reveals any material discrepancy, Kymera will permit Sanofi to conduct additional examination of pertinent books and records for Calendar Years ending not more than [***] before the date of the written notice, during a period limited to minimize the days of examination as much as possible and in no case more than an additional [***]. Sanofi will be *provided* access to such books and records at Kymera's facility or facilities where such books and records are normally kept and such examination will be conducted during Kymera's normal business hours. Upon completion of the examination, Sanofi will provide Kymera and the JRDC a written report disclosing the reason(s) for the difference between the relevant report provided by Kymera and the results and data that should have been generated and the activities that should have been conducted by Kymera during the relevant time. The costs and fees of any examination conducted by Sanofi under this Section 5.5.11 will be borne by Sanofi.

5.5.12 Notwithstanding anything herein to the contrary, in no event will Kymera be required to conduct any Development activities for any Backup Degraders.

5.6 **Reversion Compounds**.

5.6.1 Effective as of the effective date of expiration of the First Additional Degrader Research Term, all Collaboration Compounds and Collaboration Candidates Directed Against Collaboration Target 1, that were Researched by or on behalf of Kymera under Section 2.4 but are (a) [***], or (b) [***], will, in each case ((a)-(b)) cease to be Collaboration Compounds, Collaboration Candidates or Licensed Products and will be classified as "**Reversion Compounds**" as of such date [***].

5.6.2 Effective as of the effective date of expiration of the Second Additional Degrader Research Term, all Collaboration Compounds and Collaboration Candidates

Directed Against Collaboration Target 1 that were Researched by or on behalf of Kymera under Section 2.5 but are (a) [***], or (b) [***], will, in each case ((a)-(b)) cease to be Collaboration Compounds, Collaboration Candidates or Licensed Products and will be classified as "**Reversion Compounds**" as of such date [***].

5.6.3 Effective as of the expiration of the Backup Research Term (if any), all Collaboration Compounds and Collaboration Candidates Directed Against Collaboration Target 1 that were Researched by or on behalf of Kymera under Section 5.5 but are (a) [***], or (b) [***], will, in each case ((a)-(b)) cease to be Collaboration Compounds, Collaboration Candidates or Licensed Products and will be classified as "**Reversion Compounds**" as of such date.

5.6.4 Each of the applicable dates for reversion referenced in Sections 5.6.1, 5.6.2 and 5.6.3 will be referred to in this Agreement as the applicable "**Reversion Date**".

5.6.5 In addition to the foregoing, if at any time prior to the applicable Reversion Dates, [***], then the Parties will promptly meet and discuss the same in good faith through the JRDC and JPC. In the event that both Parties, through the JRDC and JPC working together, agree to proceed with an early reversion of any such Collaboration Compounds or Collaboration Candidates to Kymera, then the JRDC will identify the applicable Collaboration Compounds or Collaboration Candidates as "**Reversion Compounds**" and the applicable "**Reversion Date**" in the minutes of the JRDC.

5.6.6 From and after each applicable Reversion Date, subject to Section 5.5.2, (a) Kymera will retain all right, title and interest in and to all corresponding Reversion Compounds, (b) Sanofi's licenses and rights under this Agreement will terminate with respect to all corresponding Reversion Compounds, and (c) Kymera will grant a license to Sanofi with respect to the corresponding Reversion Compound Data in accordance with Section 10.1.4.

5.6.7 Notwithstanding anything to the contrary, and for the avoidance of doubt, [***].

5.7 **Kymera Opt-In Right**.

5.7.1 Subject to the remainder of this Section 5.7, on a Collaboration Target-by-Collaboration Target basis, Sanofi hereby grants to Kymera an exclusive option, exercisable in Kymera's sole discretion one (1) time per Collaboration Target, to fund fifty percent (50%) of the U.S. Development Costs for Opt-In Products Directed Against a given Collaboration Target in the Field in the United States and share equally (50:50) in the Net Profits and Net Losses of Commercializing Opt-In Products Directed Against such Collaboration Target in the Field in the United States (collectively, the "**Kymera Opt-In Right**").

5.7.2 On a Collaboration Target-by-Collaboration Target basis, on the later of (a) the date that is reasonably anticipated to be [***] of a Licensed Product Directed Against the relevant Collaboration Target or (b) [***] after the Sanofi Participation Election Effective Date, Sanofi will provide Kymera with the Opt-In Data Package with respect to such

Collaboration Target, and Kymera will use such Opt-In Data Package (and any additional information provided by Sanofi pursuant to this Section 5.7) solely to determine whether to exercise the corresponding Kymera Opt-In Right with respect to such Collaboration Target. Additionally, Sanofi will make all material data within the Opt-In Data Package for a Collaboration Target available to Kymera through an electronic data room. Notwithstanding anything herein to the contrary, Sanofi shall not be permitted to [***].

5.7.3 On a Collaboration Target-by-Collaboration Target basis, if such Opt-In Data Package for a given Collaboration Target is incomplete, Kymera may notify Sanofi of the incomplete status of such Opt-In Data Package in writing including any items that, in Kymera's reasonable determination made in good faith, should have been included in the Opt-In Data Package but were not included therein within [***] after receipt thereof. Following receipt of such notice, Sanofi will promptly deliver to Kymera the additional information requested by Kymera to complete such Opt-In Data Package. For clarity, delivery of such incomplete Opt-In Data Package will not trigger the [***] period after which the Kymera Opt-In Deadline would occur pursuant to Section 5.7.5, but such [***] period after which the Kymera Opt-In Deadline would occur pursuant to Section 5.7.5 will thereafter be triggered on the date of Kymera's receipt of the additional information requested by Kymera to complete such Opt-In Data Package (such date of receipt in no event to exceed the [***] period described above).

5.7.4 Following delivery of the complete Opt-In Data Package, and prior to the Kymera Opt-In Deadline, Kymera will be entitled to request, through the Alliance Managers and with reasonable advanced notice, [***].

5.7.5 On a Collaboration Target-by-Collaboration Target basis, Kymera will have the right, in its sole discretion, to exercise the Kymera Opt-In Right for a given Collaboration Target by delivering to Sanofi the following within [***] after the delivery of the Opt-In Data Package with respect to such Collaboration Target (the end of such [***] period, the "**Kymera Opt-In Deadline**"): (a) written notice of exercise (each such notice, the "**Kymera Opt-In Exercise Notice**") and (b) reasonable documentation demonstrating that Kymera has enough cash to cover its allocation of costs and expenses according to the proposed budget for the first year of Development and Commercialization of Licensed Products contemplated by the relevant Opt-In Data Package, and a reasonable plan to cover its allocation of costs and expenses according to the proposed budget for the subsequent [***] of Development and Commercialization of Licensed Products contemplated by the relevant Opt-In Data Package.

5.7.6 On a Collaboration Target-by-Collaboration Target basis, if Kymera provides a Kymera Opt-In Exercise Notice for a given Collaboration Target in accordance with Section 5.7.5, then (a) Kymera will have exercised the Kymera Opt-In Right with respect to such Collaboration Target, and (b) the date of receipt of such Kymera Opt-In Exercise Notice will be the "**Kymera Opt-In Effective Date**" with respect to such Collaboration Target.

5.7.7 On a Collaboration Target-by-Collaboration Target basis, if Kymera fails to provide a Kymera Opt-In Exercise Notice in accordance with Section 5.7.5 with

respect to a Collaboration Target prior to the Kymera Opt-In Deadline for such Kymera Opt-In Right, the Kymera Opt-In Right will expire and be of no further force or effect with respect to such Collaboration Target.

5.7.8 On a Collaboration Target-by-Collaboration Target basis, if Kymera exercises the Kymera Opt-In Right with respect to a Collaboration Target, the Parties will negotiate in good faith the terms of a cost and profit sharing agreement which will include the terms set forth on Exhibits A and C (the "**Cost/Profit Sharing Agreement**"), within [***] of Sanofi's receipt of the Kymera Opt-In Exercise Notice with respect to such Collaboration Target *provided* that the terms of Exhibits A and C shall govern until such Cost/Profit Sharing Agreement is executed.

5.7.9 On a Collaboration Target-by-Collaboration Target basis, the Cost/Profit Sharing Agreement will provide that each of Kymera and Sanofi will be entitled to and bear fifty percent (50%) of all Net Profits and Net Losses incurred in each Calendar Quarter that the Cost/Profit Sharing Agreement is in effect with respect to all Opt-In Products being sold in the United States by or on behalf of the Parties or their Affiliates or (sub)licensees, pursuant to the terms of Exhibit C (the "**Cost/Profit Share**"). On a Collaboration Target-by-Collaboration Target basis, the Cost/Profit Share will commence on the Kymera Opt-In Effective Date and immediately terminate on the earliest to occur of (w) [***] of Kymera providing written notice that is terminating the Cost/Profit Share (the "**Opt-Out Right**"), (x) [***] (the "**Opt-In Period**"). If the Opt-In Period for a Collaboration Target terminates pursuant to clauses (w) or (x) in the immediately preceding sentence, then the Royalty Term will apply with respect to such Collaboration Target.

5.7.10 If Kymera fails to pay amounts owed under the Opt-In Period for U.S. Development Costs or the Cost/Profit Share (the "**Funding Failure**"), then, subject to the cure period set forth in the Cost/Profit Sharing Agreement, Sanofi will be entitled, in its sole discretion, to [***]. The remedies set forth in this Section 5.7.10 will be Sanofi's sole and exclusive remedy with respect to such Funding Failure.

5.7.11 Notwithstanding anything to the contrary:

(a) if the Opt-In Period terminates pursuant to clause (w) of Section 5.7.9, then the Co-Promote Period will terminate on the [***]; *provided* that if [***];

(b) if the Opt-In Period terminates pursuant to clauses (x) or (z) of Section 5.7.9, then the Co-Promote Period will terminate on the [***] (the "**Co-Promotion Wind-Down Period**"); *provided* that, if [***]; and

(c) if the Opt-In Period terminates pursuant to clause (y) of Section 5.7.9, then the Co-Promote Period will terminate on the effective date of termination of the Opt-In Period.

5.7.12 For clarity, the terms of this Section 5.7 are on a Collaboration Target-by-Collaboration Target basis, and the application of such terms for a given Collaboration Target have no effect on the other Collaboration Target.

5.8 **Development Costs**.

5.8.1 On a Collaboration Target-by-Collaboration Target basis, unless and until Kymera exercises the Kymera Opt-In Right for a given Collaboration Target, during the Sanofi Participation Term with respect to such Collaboration Target, Sanofi will be solely responsible for all costs and expenses incurred in connection with the Development of Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against such Collaboration Target in the Field in the Territory.

5.8.2 On a Collaboration Target-by-Collaboration Target basis, if Kymera exercises the Kymera Opt-In Right for a given Collaboration Target, then during the applicable Opt-In Period, (a) the Parties will share all U.S. Development Costs for all Development activities for Opt-In Products Directed Against such Collaboration Target in the Field in the United States in accordance with the applicable Cost/Profit Sharing Agreement, and (b) Sanofi will be solely responsible for all costs and expenses incurred in connection with the Development of Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against such Collaboration Target in the Field in the Rest of the World.

5.9 **Records; Reporting**.

5.9.1 Each Party will maintain, and [***] to maintain, records of the Development activities under this Agreement in sufficient detail and in good scientific manner appropriate for scientific, patent and regulatory purposes, which will be complete and accurate in all material respects and will fully and properly reflect all work done, data and developments made, and results achieved.

5.9.2 Each Party will furnish to the JSC, (a) prior to any Kymera Opt-In Effective Date, on a semi-annual basis, to the extent applicable to such Party, and (b) during the applicable Opt-In Period, within [***], to the extent applicable to such Party, in each case ((a)-(b)), an update on such Party's progress under the Late Development Plan for the applicable Collaboration Target during the relevant period, including a summary of any results and data generated by such Party under such Late Development Plan and an overview of the resources (including an overview of FTEs used by such Party for such Development activities), allocated to activities under such Late Development Plan during the relevant period. Such Party will provide the JSC with such other material information, results and data with respect to the Development activities under the Late Development Plan as any member of the JSC may reasonably request that are in such Party's possession or control. In the event Kymera is a Reporting Company, Sanofi will provide Kymera such information regarding its Development activities under the Late Development Plan that is necessary for Kymera to comply with Applicable Law (including the rules and regulations promulgated by the United States Securities and Exchange Commission).

5.9.3 On a Collaboration Target-by-Collaboration Target basis, [***].

ARTICLE 6
COMMERCIALIZATION

6.1 **General**. Subject to the terms and conditions set forth in this Agreement, on a Collaboration Target-by-Collaboration Target basis, during the Sanofi Participation Term, the Parties will conduct Commercialization activities for the Licensed Products Directed Against such Collaboration Target in the Field in the Territory as further set forth in this Article 6. On a Collaboration Target-by-Collaboration Target basis, during the Sanofi Participation Term, Sanofi will be solely responsible for all Commercialization activities relating to the Licensed Products Directed Against such Collaboration Target in the Field in the Territory, including the booking of all sales of such Licensed Products, subject to Kymera's right to perform certain Co-Promotion activities (with Sanofi) in the Field in the United States for Opt-In Products Directed Against such Collaboration Target as specified in Section 6.3.

6.2 **Kymera Co-Promote Right**. Subject to the remainder of this Section 6.2 and Exhibit B, on a Collaboration Target-by-Collaboration Target basis, Sanofi hereby grants to Kymera an exclusive option, exercisable in Kymera's sole discretion one (1) time per Collaboration Target, to conduct between [***] and [***] of all Co-Promotion activities for Opt-In Products Directed Against such Collaboration Target in the Field in the United States (the "**Kymera Co-Promote Right**"); *provided* that such Kymera Co-Promote Right will expire immediately with respect to such Collaboration Target if Kymera did not exercise the Kymera Opt-In Right prior to the corresponding Kymera Opt-In Deadline or the corresponding Cost/Profit Share has been terminated.

6.2.1 On a Collaboration Target-by-Collaboration Target basis, on or about the date is reasonably anticipated to be [***], Sanofi will provide Kymera with the Co-Commercialization Plan with respect to such Collaboration Target, and Kymera will use such Co-Commercialization Plan (and any additional information provided by Sanofi pursuant to this Section 6.2) solely to determine whether to exercise the corresponding Kymera Co-Promote Right with respect to such Collaboration Target. Additionally, Sanofi will make all material data within the Co-Commercialization Plan for a Collaboration Target available to Kymera through an electronic data room.

6.2.2 On a Collaboration Target-by-Collaboration Target basis, if such Co-Commercialization Plan for a given Collaboration Target is incomplete with respect to related Co-Promotion activities, Kymera may notify Sanofi of the incomplete status of such Co-Commercialization Plan in writing including any items that, in Kymera's reasonable determination made in good faith, should have been included in the Co-Commercialization Plan but were not included therein within [***] after receipt thereof. [***]. For clarity, delivery of such incomplete Co-Commercialization Plan will not trigger the [***] period after which the Kymera Co-Promote Right Deadline would occur pursuant to Section 6.2.4, but such [***] period after which the Kymera Co-Promote Right Deadline would occur pursuant to Section 6.2.4 will thereafter be triggered on the date of Kymera's receipt of the additional information requested by Kymera to complete such Co-Commercialization Plan.

6.2.3 Following delivery of the complete Co-Commercialization Plan, and prior to the Kymera Co-Promote Right Deadline, Kymera will be entitled to request, through the Alliance Managers and with reasonable advanced notice, [***].

6.2.4 On a Collaboration Target-by-Collaboration Target basis, Kymera will have the right, in its sole discretion, to exercise the Kymera Co-Promote Right for a given Collaboration Target by delivering to Sanofi the following within [***] after the delivery of the Co-Commercialization Plan with respect to such Collaboration Target (the end of such [***] period, the "**Kymera Co-Promote Right Deadline**"): (a) written notice of exercise (each such notice, the "**Kymera Co-Promote Right Exercise Notice**") and (b) reasonable documentation demonstrating that Kymera has (i) the necessary sales force in place to Co-Promote the Licensed Products Directed Against such Collaboration Target in the Field in the United States or (ii) a plan reasonably designed to build such sales force to Co-Promote the Licensed Products Licensed Products Directed Against such Collaboration Target in the Field in the United States at least [***] before the anticipated First Commercial Sale of the first Licensed Product Directed Against such Collaboration Target in the Field in the United States; *provided* that, Kymera will not be entitled to use in such sales force any field personnel who are responsible for promoting Collaboration Target 1 Degraders in the Excluded Field.

6.2.5 On a Collaboration Target-by-Collaboration Target basis, if Kymera provides a Kymera Co-Promote Right Exercise Notice for a given Collaboration Target in accordance with Section 6.2.4, then (a) Kymera will have exercised the Kymera Co-Promote Right with respect to such Collaboration Target, and (b) the date of such Kymera Co-Promote Right Exercise Notice will be the "**Kymera Co-Promote Effective Date**" with respect to such Collaboration Target.

6.2.6 On a Collaboration Target-by-Collaboration Target basis, if Kymera fails to provide a Kymera Co-Promote Right Exercise Notice in accordance with Section 6.2.4 with respect to a Collaboration Target prior to the Kymera Co-Promote Right Deadline for such Kymera Co-Promote Right, the Kymera Co-Promote Right will expire and be of no further force or effect with respect to such Collaboration Target.

6.2.7 On a Collaboration Target-by-Collaboration Target basis, if Kymera exercises the Kymera Co-Promote Right with respect to a Collaboration Target, the Parties will negotiate in good faith the terms of a definitive Co-Promotion Agreement covering the Co-Promotion activities for Licensed Products Directed Against such Collaboration Target in the Field in the United States which will include the terms set forth on Exhibit B (the "**Co-Promotion Agreement**"), within [***] of Sanofi's receipt of the Kymera Co-Promote Exercise Notice with respect to such Collaboration Target; *provided* that, the terms of Exhibit B shall govern until such Co-Promotion Agreement is executed.

6.2.8 For clarity, the terms of this Section 6.2 are on a Collaboration Target-by-Collaboration Target basis, and the application of such terms for a given Collaboration Target have no effect on the other Collaboration Target.

6.3 **Co-Commercialization Plan**. On a Collaboration Target-by-Collaboration Target basis, but only during the Co-Promote Period:

6.3.1 The Commercialization of the Opt-In Products Directed Against such Collaboration Target in the United States will be conducted pursuant to the Co-Commercialization Plan, which will at a minimum include a reasonably detailed plan for the Commercialization of the Opt-In Products Directed Against such Collaboration Target in the United States. At least [***] prior to the anticipated date of First Commercial Sale of the first Opt-In Product Directed Against such Collaboration Target in the United States (or such other time as may be mutually agreed by the Parties), Sanofi will prepare, in consultation with Kymera via the JCC, a proposed initial Co-Commercialization Plan for the JCC's review, discussion and approval. The JCC will endeavor to approve the initial Co-Commercialization Plan at least [***] prior to anticipated date of First Commercial Sale of an Opt-In Product Directed Against such Collaboration Target in the United States. The initial Co-Commercialization Plan for a given Collaboration Target will not be effective unless and until approved by the JCC.

6.3.2 On a Collaboration Target-by-Collaboration Target basis, the Co-Commercialization Plan for a given Collaboration Target will contain a [***] rolling budget for the probable Allowed Expenses for the Commercialization activities to be performed for the United States during the then-current Calendar Year (broken down by Calendar Quarter) and the [***] of the Co-Commercialization Plan, and will be updated by Sanofi annually on a rolling [***] period basis. Such initial Co-Commercialization Plan will include a budget for the then-current Calendar Year commencing as of the date of such initial Co-Commercialization Plan and ending [***] of such Calendar Year and [***] thereafter [***] (each such budget, a "**Co-Commercialization Budget**"). The [***] of the initial Co-Commercialization Budget will be binding. [***]. The initial Co-Commercialization Budget for the Co-Commercialization Plan, and each update thereto, will be prepared by Sanofi based on Sanofi's good faith estimation, consistent with its standard internal practices, of the probable Commercialization activities to be conducted in the United States during the relevant Co-Commercialization Budget period, and based on and consistent with the documents and information related to the Opt-In Products Directed Against such Collaboration Target prepared by Sanofi for its internal use and reference in the budgeting process. Upon request by a Party, the JCC will discuss the appropriate level of detail to include in a Co-Commercialization Budget for the applicable Commercialization activities to be performed during the period covered by such Co-Commercialization Budget.

6.3.3 On a Collaboration Target-by-Collaboration Target basis, Sanofi, in consultation with Kymera via the JCC, will (a) review the Co-Commercialization Plan for a given Collaboration Target at least annually for the purpose of considering appropriate amendments thereto to be proposed to the JCC and (b) then no later than [***] of the then-current Calendar Year beginning with the first full Calendar Year of the initial Co-Commercialization Plan, provide the JCC with a proposed updated Co-Commercialization Plan for the JCC's review, discussion and approval. The JCC will endeavor to approve such updated Co-Commercialization Plan for such Collaboration Target no later than [***] of the then-current Calendar Year. Annual updates to the Co-Commercialization Budget for such Collaboration Target will contain a proposed Co-Commercialization Budget covering (i) the next Calendar Year, broken down by Calendar Quarter, and (ii) each of the [***], in each case ((i) and (ii)), in accordance with the requirements set forth in Section 6.3.2. In addition to the annual update, either Party, through its representatives on the JCC, may propose amendments

to the Co-Commercialization Plan for such Collaboration Target at any time. No update or amendment to the Co-Commercialization Plan for such Collaboration Target will be effective unless and until approved by the JCC.

6.4 **Commercialization Activities in the United States**.

6.4.1 On a Collaboration Target-by-Collaboration Target basis, during the applicable Co-Promote Period, for each Opt-In Product Directed Against such Collaboration Target in the United States, Sanofi will be solely responsible for all Commercialization activities for each Opt-In Product Directed Against such Collaboration Target in the Field in the United States, including handling all returns, recalls, order processing, invoicing and collection, booking of sales, inventory and receivables, and managed and government pricing programs, other than Kymera's Co-Promotion activities with respect to such Opt-In Product Directed Against such Collaboration Target as set forth in the Co-Promotion Agreement. Kymera will not accept orders for any Opt-In Product Directed Against such Collaboration Target or make sales for its own account or for Sanofi's account, and if Kymera receives any order for an Opt-In Product Directed Against such Collaboration Target in the United States, then it will refer such orders to Sanofi for acceptance or rejection.

6.4.2 On a Collaboration Target-by-Collaboration Target basis, if Kymera does not exercise the Kymera Co-Promote Right with respect to a given Collaboration Target (or thereafter exercises the corresponding Kymera Co-Promote Opt-Out Right for such Collaboration Target), then Sanofi will be solely responsible for all Commercialization activities for each Licensed Product Directed Against such Collaboration Target in the Field in the United States, including development and implementation of a promotional strategy, handling all returns, recalls, order processing, invoicing and collection, booking of sales, inventory and receivables, and managed and government pricing programs.

6.5 **Commercialization Activities in the Rest of World**. On a Collaboration Target-by-Collaboration Target basis, Sanofi will be solely responsible for all Commercialization activities for each Licensed Product Directed Against such Collaboration Target in the Field in the Rest of World including development and implementation of a promotional strategy, handling all returns, recalls, order processing, invoicing and collection, booking of sales, inventory and receivables, and managed and government pricing programs.

6.6 **No Commercialization Activities in the Excluded Field**. For clarity, in no event will any of the Commercialization activities under this Agreement be conducted in the Excluded Field.

6.7 **Diligence**.

6.7.1 On a Collaboration Target-by-Collaboration Target basis, during the applicable Co-Promote Period (if any), Kymera will use diligent efforts to perform its Co-Promotion activities for the Opt-In Products Directed Against such Collaboration Target in the Field in the United States in accordance with the Co-Commercialization Plan and the Co-Promotion Agreement for such Collaboration Target.

6.7.2 On a Collaboration Target-by-Collaboration Target basis, Sanofi will use diligent efforts to perform its Commercialization activities for the Opt-In Products Directed Against such Collaboration Target in the Field in the United States in accordance with the Co-Commercialization Plan and the Co-Promotion Agreement (if any) for such Collaboration Target.

6.7.3 On a Collaboration Target-by-Collaboration Target basis, during the Sanofi Participation Term for a given Collaboration Target, [***].

6.8 **Reports**. During the Co-Promote Period (if any):

6.8.1 On a Collaboration Target-by-Collaboration Target basis, [***], each Party will provide to the JCC during the applicable Co-Promote Period (if any), a summary of material Commercialization activities undertaken by or on behalf of such Party in the Field in the Territory during such Calendar Quarter with respect to Licensed Products Directed Against such Collaboration Target, and an overview of the resources, including an overview of FTEs, allocated to activities under the Co-Commercialization Plan during the relevant Calendar Quarter. Such Party will provide the JCC with such other information with respect to the Commercialization activities as any member of the JCC may reasonably request that are in such Party's Control. Each Party will maintain records relating to its sales force and account management. Kymera's obligations under this Section 6.8.1 will only apply during the Co-Promote Period for a particular Collaboration Target.

6.8.2 Sanofi will be responsible for the creation, preparation, production, reproduction, review (medical, legal, and regulatory), and filing with the applicable Regulatory Authorities, of promotional materials relating to each Licensed Product in the Field in the Territory. All such promotional materials will be compliant with Applicable Law. Unless prohibited under Applicable Law, Sanofi will include a reference in such promotional materials to such Licensed Product as being marketed by Sanofi and Kymera in the Field in the Territory. Sanofi will own all rights, title, and interest, in and to any and all promotional materials for any Licensed Product in the Field in the Territory.

6.8.3 On a Collaboration Target-by-Collaboration Target basis, [***].

6.9 **Advertising and Promotional Materials**.

6.9.1 Sanofi, in its reasonable discretion, will lead and develop (and thereafter modify and update) a branding strategy (including positioning, messages, logo, colors, and other visual branding elements) (a "**Branding Strategy**") for each Licensed Product in the Field in the Territory. During the Research Term, Kymera, in its reasonable discretion, will lead and develop the International Nonproprietary Name (INN) submission request process for Licensed Products Directed Against Collaboration Target 1; provided that (i) Kymera shall provide a draft of the INN submission to Sanofi prior to its submission, (ii) Sanofi shall have [***] to review such submission and provide comments to Kymera and (iii) Kymera shall consider any such comments provided by Sanofi in good faith; provided further that, in the event that Applicable Law requires Sanofi to be the filing party for such INN submission, Kymera shall continue to lead and develop the INN submission request process, and Sanofi

shall be responsible for filing the INN. During the Sanofi Participation Term (if any), Sanofi, in its reasonable discretion, will lead and develop the INN submission request process for Licensed Products Directed Against Collaboration Target 1; provided that, (i) Sanofi shall provide such INN submission to Kymera prior to its submission, (ii) Kymera shall have [***] to review such submission and provide comments to Sanofi and (iii) Sanofi shall consider any such comments provided by Kymera in good faith.

6.9.2 Sanofi will be responsible for the creation, preparation, production, reproduction, review (medical, legal, and regulatory), and filing with the applicable Regulatory Authorities, of Promotional Materials relating to each Licensed Product. All such Promotional Materials will be compliant with Applicable Law. During the Co-Promote Period and in respect of materials for the U.S., (i) all Promotional Materials will be consistent in all material respects with the Co-Commercialization Plan for such Licensed Product and (ii) unless prohibited under Applicable Law, Sanofi will include a reference in such Promotional Materials to such Licensed Product as being marketed by Sanofi and Kymera in the approved Indication in the Field in the Territory. Sanofi will own all rights, title, and interest, in and to any and all Promotional Materials for any Licensed Product.

6.9.3 Sanofi will develop and approve packaging and labeling for each Licensed Product, which in all cases will be in accordance with Applicable Law. During the Co-Promote Period, such activities further will be consistent with the Co-Commercialization Plan.

6.9.4 Sanofi will have the sole right to determine and own the trademarks used in connection with the Development, Manufacture and Commercialization of the Licensed Products on a worldwide basis. Subject to any pre-existing trademarks a Party may have, neither Party will, directly or indirectly: (a) use in their respective businesses, any trademark that is confusingly similar to, misleading, or deceptive with respect to or that dilutes any trademark for a Licensed Product; and (b) do any act which endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to the trademarks for any Licensed Product. Each Party agrees to conform to the customary industry standards for the protection of trademarks for Licensed Products and such guidelines of Sanofi with respect to manner of use (in the case of Kymera, as *provided* in writing by Sanofi) of the trademarks for Licensed Products. Without limiting any pre-existing trademarks a Party may have, neither Party will, directly or indirectly, attack, dispute, or contest the validity of or ownership of such trademark anywhere in the Territory or any registrations issued or issuing with respect thereto.

6.10 **Sales and Distribution**. Notwithstanding anything to the contrary contained in this Agreement, Sanofi and its Affiliates will, as between the Parties, have the sole right to book sales, warehouse and distribute Licensed Products in the Field in the Territory.

6.11 **Recalls, Market Withdrawals or Corrective Actions**. In the event that any Regulatory Authority issues or requests a recall or takes a similar action in connection with a Licensed Product in the Field in the Territory, Sanofi will, as between the Parties, have the sole right to decide whether to conduct a recall and the manner in which any such recall will be conducted. Without limiting any indemnification obligation Kymera may have under this

Agreement, (a) during the applicable Opt-In Period, [***], (b) during any time other than the applicable Opt-In Period, [***], and (c) [***].

6.12 **Pricing Approvals and Combination Product Decisions**. For all Licensed Products, Sanofi will exclusively control without coordination by the JCC (a) all Price Approvals and (b) all decisions with respect to Commercialization of such Licensed Products as Combination Products. Kymera will provide Sanofi with reasonable assistance and cooperation with respect to obtaining pricing and reimbursement approvals for all such Licensed Products, at Sanofi's request and expense, subject to the Cost/Profit Share, if applicable.

6.13 **Subcontracts**. Subject to any applicable Cost/Profit Sharing Agreement or Co-Promote Agreement, each Party will be entitled to utilize the services of Third Parties to perform Commercialization activities under this Agreement, *provided* that (a) such Party will require that such Third Party perform its obligations in a manner consistent with the terms of this Agreement, (b) if such Party is Kymera, (i) Sanofi will have the right to conduct customary reviews and audits of Kymera and its Affiliates and (ii) Kymera will use diligent efforts to obtain for Sanofi the right to conduct customary reviews and audits of its Approved Third Party Contractors, in each case ((i) and (ii)), upon [***] prior written notice, to confirm such Parties' compliance with the Co-Promotion Agreement and (c) such Party will remain at all times fully liable for its responsibilities. Each Party will require that any such Third Party agreement entered into by such Party pursuant to this Section 6.13 [***]. For clarity, [***]. In each agreement with a Third Party that relates solely to Collaboration Compounds, Collaboration Candidates or Licensed Products, the subcontracting Party will use Commercially Reasonable Efforts to require that such agreement is freely assignable.

ARTICLE 7
REGULATORY MATTERS

7.1 **Regulatory Lead Responsibilities**. Subject to Section 6.12, on a Collaboration Target-by-Collaboration Target basis, the Regulatory Lead will be solely responsible for all regulatory matters in the Territory relating to the Collaboration Candidates and Licensed Products Directed Against such Collaboration Target for which such Party is the Regulatory Lead. The Regulatory Lead will own all INDs, NDAs, Marketing Approvals, Regulatory Filings, Price Approvals and related regulatory documents in the Territory with respect to such Collaboration Candidates and Licensed Products Directed Against such Collaboration Target, including any drug master files maintained by such Regulatory Lead solely with respect thereto in the Territory. The role of Regulatory Lead may transition from one Party to the other Party as contemplated by the definition of such term, and the Parties will document such transition in writing. On a Collaboration Target-by-Collaboration Target basis, the Regulatory Lead will be the sole point of contact with Regulatory Authorities with respect to the Collaboration Candidates and Licensed Products Directed Against such Collaboration Target.

7.2 **Assignment of Regulatory Filings**. To the extent not already completed pursuant to Section 3.1.1(e), On a Collaboration Target-by-Collaboration Target basis, within [***] following Sanofi Participation Election Effective Date for a given Collaboration Target (if any), Kymera will transfer and assign to Sanofi Kymera's entire right, title, and interest in and to all INDs, other Regulatory Filings, and other regulatory documentation in the Territory with respect

to all Collaboration Candidates and Licensed Products Directed Against such Collaboration Target that is in the possession and control of Kymera, excluding any drug master files maintained by Kymera or a Third Party solely with respect thereto.

7.3 **Communications with Regulatory Authorities**.

7.3.1 On a Collaboration Target-by-Collaboration Target basis, (a) Kymera, as Regulatory Lead, with respect to Material Communications with a Regulatory Authority in the Territory, and (b) Sanofi, as Regulatory Lead prior to and during the Opt-In Period, with respect to Material Communications with a Regulatory Authority in the Major Market Countries, as applicable, will:

(a) provide the JSC (or a Committee or Subcommittee to which the JSC has delegated responsibility) for its review and discussion with a brief description in English of the principal issues raised in each Material Communication with Regulatory Authorities with respect to any Collaboration Candidates or Licensed Products Directed Against such Collaboration Target for which such Party is the Regulatory Lead, including any communications with a Regulatory Authority with respect to any audit or inspection of such Party or any of its Affiliates or Subcontractors conducted by a Regulatory Authority and related findings thereunder to the extent such audit or inspection relates to the activities conducted under this Agreement;

(b) provide such descriptions of such Material Communications to the JSC as part of the quarterly updates regarding Development and Commercialization activities with respect to such Collaboration Target, if related to any Collaboration Candidates or Licensed Products Directed Against such Collaboration Target (except, solely with respect to the U.S., within [***] after receipt thereof), if related to any Collaboration Candidates or Licensed Products Directed Against such Collaboration Target; and

(c) allow the other Party a reasonable opportunity to review and comment on such Regulatory Lead's proposed response to such Material Communication in advance of the transmission of such response, and the Regulatory Lead will reasonably consider all comments timely provided by such other Party in connection therewith; *provided* that Sanofi will not be obligated to provide Kymera the right to review or comment on Sanofi's proposed response to a Material Communication to a Major Market Country other than the U.S., even during the Opt-In Period.

7.3.2 Subject to Section 7.3.1, Sanofi, as Regulatory Lead, will keep Kymera reasonably informed of its progress with Regulatory Authorities with respect to Collaboration Candidates and Licensed Products pursuant to the Late Development Plan and JSC as part of the quarterly updates regarding Development and Commercialization activities with respect to such Collaboration Candidates and Licensed Products.

7.4 **Regulatory Meetings**. On a Collaboration Target-by-Collaboration Target basis, (a) Kymera, as Regulatory Lead, with respect to meetings with a Governmental Authority in the Territory, and (b) Sanofi, as Regulatory Lead both prior to and during the Opt-In Period, with respect to meetings with a Governmental Authority in the U.S., as applicable, will provide the other Party with reasonable advance notice of all meetings with Governmental Authorities

pertaining to any Collaboration Candidates or Licensed Products Directed Against such Collaboration Target for which such Party is the Regulatory Lead, or with as much advance notice as practicable under the circumstances. To the extent permitted by the applicable Government Authority, the non-Regulatory Lead may have up to [***] attend all such meetings.

7.5 **Submissions**. On a Collaboration Target-by-Collaboration Target basis, (a) Kymera, as Regulatory Lead, with respect to submissions to a Governmental Authority in the Territory, and (b) Sanofi, as Regulatory Lead prior to and during the Opt-In Period, with respect to meetings with a Governmental Authority in Major Market Countries, as applicable, will provide the non-Regulatory Lead, through the JSC, with written notice of each of the following events with regard to any Collaboration Candidates or Licensed Products Directed Against such Collaboration Target for which such Party is the Regulatory Lead (a) within a reasonable period of time following the occurrence thereof (but in any event no later than [***] thereafter), to the extent notice was not previously *provided*: [***].

7.6 **Pharmacovigilance**.

7.6.1 On a Collaboration Target-by-Collaboration Target basis, prior to the Initiation of the first Clinical Trial for a Licensed Product or earlier upon the written request of either Party, the Parties will enter into a pharmacovigilance agreement setting forth the worldwide pharmacovigilance procedures for the Parties with respect to the Licensed Products, such as safety data sharing, adverse events reporting and safety profile monitoring with respect to Licensed Products Directed Against such Collaboration Target (the "**Pharmacovigilance Agreement**"). Such procedures will be in accordance with, and enable the Parties to fulfill, local and national regulatory reporting obligations under Applicable Law. Each Party will be responsible for reporting quality complaints, adverse events and safety data related to the Licensed Products to the applicable Regulatory Authorities in its territory, as well as responding to safety issues and to all requests of Regulatory Authorities related to the Licensed Products in its territory, in each case at its own cost. The initial global safety database will be established by Kymera using its Approved Third Party Contractors, and Kymera will, at Kymera's sole cost and expense, transfer such global safety database to Sanofi upon Sanofi's written request reasonably in advance of the desired transfer date, which transfer date will be no later than [***] and in the form requested by Sanofi. Prior to such transfer Kymera shall provide to Sanofi all safety information obtained by Kymera for the Licensed Products prior to Sanofi's assumption and implementation of the global safety database in accordance with the Pharmacovigilance Agreement. Each Party agrees to comply with its respective obligations under the Pharmacovigilance Agreement and to [***] comply with such obligations. Among other things, the Pharmacovigilance Agreement will provide the right for each Party to cross-reference all relevant safety data of the other Party.

7.6.2 Without limiting the foregoing, (a) if a Material Safety Event occurs during the Sanofi Participation Term, and [***], Sanofi will provide written notice thereof to Kymera (a "**Sanofi Material Safety Event Notice**") and (b) if a Party, in accordance with such Party's internal operating procedures consistently applied across its own pharmaceutical products, determines that a Material Safety Event has occurred with respect to a Clinical Trial conducted by or on behalf of Kymera under this Agreement, such Party will provide written

notice thereof to the other Party (a "**Kymera Material Safety Event Notice**"). Any such notice issued by a Party under this Section 7.6.2 will include [***].

7.7 **Right of Reference**. To the extent necessary or useful to exercise Sanofi's rights under the Exclusive Licenses, Kymera hereby grants, and shall ensure that its Affiliates grant, to Sanofi and its permitted Sublicensees a "right of reference or use" (as that term is defined in 21 C.F.R. §314.3(b), as amended from time to time, and any foreign equivalent thereto), to any drug master files maintained by Kymera or a Third Party solely with respect to all INDs, other Regulatory Filings, and other regulatory documentation in the Territory with respect to all Collaboration Candidates and Licensed Products Directed Against such Collaboration Target that is in the possession and control of Kymera, and Kymera shall provide appropriate notification of Sanofi's access and reference rights to the applicable Regulatory Authorities requested by Sanofi.

ARTICLE 8
MANUFACTURING

8.1 **Technology Transfer**.

8.1.1 **Transfer Timing**.

(a) Under the Original Agreement, Kymera conducted a technology transfer of CMC information for [***] to Sanofi or its designated CMO.

(b) Kymera will conduct a technology transfer of CMC information for the [***] to be completed (i) if such transfer occurs upon the achievement of [***], at least
[***] prior to the anticipated transfer of Development responsibility to Sanofi for the applicable Degrader Directed Against Collaboration Target 1, (ii) if such transfer occurs after the achievement of [***] for the applicable Degrader Directed Against Collaboration Target 1 [***], and (iii) at least [***] prior to the anticipated transfer of Development responsibility to Sanofi for the applicable Degrader Directed Against Collaboration Target 2. Such transfer will be conducted pursuant to a transfer plan to be agreed upon by the Parties and approved by the JMC (the "**CMC Transfer Plan**") in accordance with the timelines set forth in this clause (b).

8.1.2 **Process of Transfer to CMO**. On a Collaboration Candidate-by-Collaboration Candidate basis, the CMC Transfer Plan will require that Kymera initiate a technology transfer of the relevant CMC information to Sanofi or its designated CMO. Such transfer will include a transfer of Kymera Background Know-How that is necessary for the Manufacture of the relevant Collaboration Candidates. Kymera will make available its personnel on a reasonable basis to consult with Sanofi or such CMO with respect thereto. Except as set forth in the previous sentence, Sanofi will bear the costs of conducting each CMC Transfer Plan. For each Collaboration Candidate, Kymera will not be required to perform technology transfer to more than one (1) CMO for each stage of such the relevant supply chain (*i.e.*, non-GMP starting material, bulk drug substance, bulk drug product and finished product). Promptly after Sanofi's written request, Kymera will use diligent efforts to assign to Sanofi any manufacturing agreement between Kymera and a CMO that is solely related to the manufacture of relevant Collaboration Candidates. Subject to applicable confidentiality obligations, Kymera will promptly provide to Sanofi a copy of any such

manufacturing agreement and, to the extent permitted by such manufacturing agreement, reasonable access to personnel from such CMO. Such assignment will be subject to the terms and conditions of such agreement, including any required consents of such CMO and Sanofi's written agreement to assume all the obligations of Kymera under such agreement to be undertaken after such assignment, but Kymera will remain solely responsible for its obligations under such agreement arising prior to such assignment. Except as *provided* in the immediately preceding sentence, Sanofi will be solely responsible for contracting with such CMO (and any other CMO to whom a technology transfer has been or will be conducted as set forth in this Section 8.1) for the supply of relevant Collaboration Candidates and Licensed Products and Kymera will have no obligations under such agreement between Sanofi and such CMO.

8.2 **Research Term Supply**.

8.2.1 On a Collaboration Target-by-Collaboration Target basis, Kymera (through itself, its Affiliates or CMOs) will be solely responsible, [***], for Manufacturing all Collaboration Compounds, Collaboration Candidates and Licensed Products required to conduct Kymera's activities under the Research Plan or Early Development Plan. Notwithstanding the foregoing, Sanofi (through itself, its Affiliates or CMOs) will be responsible, [***], for (a) the CMC process development of such Collaboration Candidates and Licensed Products Directed Against the relevant Collaboration Target in accordance with the Research Plan or Early Development Plan (as applicable), and (b) Manufacturing all Collaboration Compounds, Collaboration Candidates and Licensed Products required to conduct the Phase 2 Activities or Sanofi's activities under the Early Development Plan (if any) or Late Development Plan (if any).

8.2.2 Under the Original Agreement, [***]. Sanofi is responsible for completing Manufacturing of [***] using such delivered starting materials at Sanofi's cost and expense. If Sanofi provides a written notice to Kymera with a request to [***], Kymera will, within [***] of a request from Sanofi, authorize the applicable CMOs to accept orders for starting materials and for Manufacturing of active ingredients from Sanofi, Sanofi may engage the applicable CMOs for such purposes, and all such starting materials and Manufacturing will be obtained at Sanofi's cost and expense.

8.2.3 Under the Original Agreement, Kymera supplied to Sanofi or its designated CMO quantities of [***] as set forth in the then-current Research Plan to enable Sanofi to execute its comparability protocol as set forth in the Research Plan. To the extent required by Sanofi, the Parties will enter into an agreement that details the quality assurance obligations of each Party.

8.2.4 The JMC, in consultation with the JRDC, will be responsible for monitoring Kymera's progress under the Early Development Plan to anticipate, and plan for, the transition of Manufacturing activities to Sanofi based on the anticipated Development timelines set forth in the Early Development Plan and the Late Development Plan. With respect to [***].

8.3 **Sanofi Participation Term Supply**.

8.3.1 On a Collaboration Target-by-Collaboration Target basis, Sanofi (through itself, its Affiliates or CMOs) will be responsible, at its cost and expense, for Manufacturing (including CMC process development) for Sanofi use in the Development and Commercialization of Collaboration Candidates and Licensed Products Directed Against such Collaboration Target.

8.3.2 Notwithstanding Section 8.3.1, on a Collaboration Target-by-Collaboration Target basis, if Kymera exercises the Kymera Opt-In Right with respect to a Collaboration Target, Sanofi's fully burdened manufacturing cost for all Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against the relevant Collaboration Target will be shared by the Parties in accordance with the relevant Cost/Profit Sharing Agreement.

8.4 **CMOs**. Each Party will be entitled to utilize the services of CMOs to perform Manufacturing activities under this Agreement, *provided* that: (a) such Party will require that each such CMO perform its obligations in a manner consistent with the terms of this Agreement; (b) such Party will remain at all times fully liable for its responsibilities; (c) in the case of Kymera, such CMO(s) (and specified manufacturing site(s)) shall be as set forth on Schedule 8.4 (as such schedule may be updated from time to time solely by prior written agreement of the Parties), *provided* that for [***], Kymera may continue to use its existing CMO; and (d) in the case of Sanofi, such CMO(s) will be selected in accordance with its internal standard operating procedures for the selection of CMOs. Each Party will require that any such CMO agreement entered into by such Party pursuant to this Section 8.4 entered into after the Original Agreement Execution Date [***]. The subcontracting Party will be solely responsible for direction of and communications with such CMO. In each CMO agreement entered into after the Original Agreement Execution Date that relates solely to Collaboration Compounds, Collaboration Candidates or Licensed Products, the subcontracting Party will use Commercially Reasonable Efforts to require that such agreement is freely assignable.

8.5 **cGMP Compliance and QA Audits**. Following the Effective Date, when negotiating a CMO agreement for the Manufacture of Collaboration Compounds or Collaboration Candidates, Kymera will use Commercially Reasonable Efforts to obtain the right for Sanofi to, upon no less than [***] advance written notice to Kymera, and subject to the terms of any relevant CMO agreement, have representatives visit the locations at which Manufacturing activities are undertaken by the relevant CMO, in each case, during normal business hours to review and inspect records and reports pertinent to the Manufacture, disposition or transport of Collaboration Compounds or Collaboration Candidates. Such visits will occur no more than [***], except in the case of audits by Sanofi that are required by Applicable Laws. In addition, upon [***] written notice to Kymera, Kymera will permit Sanofi to conduct on-site visits to the relevant Kymera premises during normal business hours to review and inspect such premises, and Kymera's reports and records, regarding (a) Kymera's oversight of manufacturing, quality control procedures, release, and (b) the Manufacture, disposition or transport of materials supplied by Kymera to Sanofi, in each case ((a) and (b)) to confirm Kymera's compliance with Applicable Law; such visits to be subject to customary and reasonable due diligence procedures to preserve the confidentiality of any information obtained by Sanofi. Such visits will (a) occur no more than

[***], (b) will be conducted in such a manner to minimize, to the extent reasonably possible, the period of such visit and in no case shall such period exceed [***], and (c) will be conducted by the minimum number of Sanofi employees as necessary to provide requisite subject matter expertise and conduct the review in the allotted timeframe, each of whom shall have appropriate experience in the Manufacture, quality and cGMP compliance of small molecule compounds and candidates. Upon completion of any such visit, Sanofi will provide Kymera and the JMC of Sanofi's findings from each such visits. [***].

8.6 **Quality Agreements**. The Parties will enter into one or more quality agreements to govern the transfer of materials, Collaboration Candidates and Licensed Products contemplated under this Article 8.

ARTICLE 9
GOVERNANCE

9.1 **Joint Steering Committee**.

9.1.1 **Formation**. Pursuant to the Original Agreement, the Parties established a joint steering committee (the "**JSC**") to act as a forum to review, discuss and oversee activities under this Agreement. The JSC will be comprised of [***] from each Party. Each Party's representatives on the JSC will be of the seniority and experience appropriate in light of the functions and responsibilities of the JSC. In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the JSC; *provided* that such individuals will have no decision-making authority. Each Party's representatives on the JSC and all other individuals attending or participating in discussions and meetings of the JSC on behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provisions of Article 16. Each Party may replace its representatives on the JSC at any time by providing notice in writing to the other Party. Each Party will appoint one of its representatives on the JSC to act as a co-chairperson of the JSC. The co-chairpersons of the JSC will be responsible for setting the agenda for meetings of the JSC with input from the other members, and for conducting the meetings of the JSC. The JSC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence.

9.1.2 **Responsibilities**. The JSC will be responsible for overseeing the collaboration and approving strategy, plans and budgets with respect to (i) Collaboration Compounds, Collaboration Candidates and Licensed Product activities before the expiration or termination of Kymera's Opt-In Right with respect to a given Collaboration Target, and (ii) during the applicable Opt-In Period, Collaboration Candidates and Licensed Products activities as to which Kymera has exercised the Kymera Opt-In Right for a given Collaboration Target. Any failure of the Parties to agree on matters within the purview of the JSC as set forth this Section 9.1.2 will be resolved in accordance with the decision-making and escalation procedures set forth in Section 9.9.2. Without limiting the first sentence of this Section 9.1.2, the JSC will:

(a) discuss and approve changes to the Screening Criteria, M2 Criteria, Phase 1 Ready Criteria or Phase 2 Ready Criteria;

(b) review, discuss and approve each Late Development Plan;

(c) be responsible for overseeing the Parties' performance of their respective activities under the Late Development Plan and provide support to each Party with respect to such Party's activities thereunder;

(d) solely during the applicable Opt-In Period, upon request by a Party, discuss the appropriate level of detail to include in the U.S. Development Budget required for the United States for the applicable Development activities to be performed during the period covered by such U.S. Development Budget for the United States;

(e) solely during the applicable Opt-In Period, review, discuss and approve proposed updates and amendments to each Late Development Plan;

(f) review and discuss reports provided by a Party pursuant to Section 5.9.2;

(g) review and discuss materials provided by a Party pursuant to Section 7.3 or 7.5;

(h) solely with respect to (i) Collaboration Compounds, Collaboration Candidates and Licensed Product activities before expiration or termination of the Kymera Opt-In Right for a given Collaboration Target, and (ii) during the applicable Opt-In Period, Collaboration Candidates and Licensed Products as to which Kymera has exercised the Kymera Opt-In Right for a given Collaboration Target, in each case review, discuss and approve annual budgets and any updates or amendments thereto;

(i) discuss and approve extensions to timelines pursuant to Section 18.2.2;

(j) review and discuss the rationale of obtaining any Potential In-License;

(k) in coordination with the JPC, review and discuss Potential In-Licenses (including related proposed economics);

(l) identify a Party to lead negotiations with the applicable Third Party licensor for any Potential In-License;

(m) on receipt of a substantially finalized draft Potential In-License, determine whether to approve such Potential In-License as a Collaboration In-License Agreement for the applicable Collaboration Target;

(n) solely during the applicable Opt-In Period, review, discuss and agree on the Late Development Budget;

(o) solely during the applicable Opt-In Period, review, discuss and determine whether an overspend is a Permitted U.S. Budget Overrun;

(p) solely during the applicable Opt-In Period, review, discuss and determine whether an U.S. Budget Excession was caused by circumstances within Sanofi's reasonable control or whether to otherwise approve an U.S. Budget Excession;

(q) solely during the applicable Opt-In Period, review and discuss expense reports with respect to U.S. Development Costs;

(r) review, discuss and approve any decisions or disputes submitted by a Committee to the JSC;

(s) establish, but not delegate decision making authority to, such additional Subcommittees as it deems necessary to achieve the objective and intent of this Agreement; and perform such other duties as are specifically assigned to the JSC under this Agreement or as may be otherwise mutually agreed by the Parties from time to time; and

(t) perform such other functions as are set forth in this Agreement, or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

9.2 **Joint Research and Development Committee**.

9.2.1 **Formation.** Pursuant to the Original Agreement, the Parties established a joint research and development committee (the "**JRDC**") to act as a forum to review, discuss and oversee research activities under this Agreement on a Collaboration Target-by-Collaboration Target basis prior to the applicable Sanofi Participation Election Effective Date. The JRDC will be comprised of [***] from each Party. Each Party's representatives on the JRDC will be of the seniority and experience appropriate in light of the functions and responsibilities of the JRDC In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the JRDC; *provided* that such individuals will have no decision-making authority. Each Party's representatives on the JRDC and all other individuals attending or participating in discussions and meetings of the JRDC on behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provisions of Article 16. Each Party may replace its representatives on the JRDC at any time by providing notice in writing to the other Party. Until Sanofi's first exercise of the Sanofi Participation Election Right, Kymera will designate the chairperson of the JRDC; thereafter, Sanofi will designate the chairperson of the JRDC. The chairperson of the JRDC will be responsible for setting the agenda for meetings of the JRDC with input from the other members, and for conducting the meetings of the JRDC. The JRDC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence.

9.2.2 **Specific Responsibilities**. The JRDC will, subject to the escalation, final decision-making authority and dispute resolution procedures in Section 9.9:

(a) be responsible for overseeing the Parties' performance of their respective activities under the Research Plan and Early Development Plan and provide support to each Party with respect to such Party's activities thereunder;

(b) review and discuss (i) each amended Research Plan and Early Development Plan and approve updates or material amendments to the Research Plan and the Early Development Plan and (ii) the Phase 2 Development Plan and approve updates or material amendments to the Phase 2 Development Plan;

(c) discuss and determine whether a Degrader that is Researched under this Agreement meets the Screening Criteria, M2 Criteria, Phase 1 Ready Criteria or Phase 2 Ready Criteria;

(d) review, discuss and approve changes to the Screening Criteria, M2 Criteria, Phase 1 Ready Criteria or Phase 2 Ready Criteria;

(e) discuss and determine whether Successful Completion has been achieved;

(f) review and discuss the list of Degraders provided by Kymera pursuant to Section 2.2.2;

(g) review and discuss reports and data provided by Kymera pursuant to Section 2.4.7 within [***] after the delivery of each such report, and determine if a relevant Degrader satisfies the First Additional Degrader Criteria;

(h) cause the minutes of the JRDC to reflect any selection of a Degrader as a First Additional Degrader, whether by the JRDC, the R&D Expert in accordance with Section 9.9.2(b)(iii) or by Sanofi in accordance with Section 2.4.7;

(i) review, discuss and determine whether a Collaboration Candidate or Licensed Product Directed Against Collaboration Target 2 satisfies the Phase 1 Ready Criteria;

(j) review and discuss reports and data provided by Kymera pursuant to Section 2.5.7 within [***] after the delivery of each such report, and determine if a relevant Degrader satisfies the Second Additional Degrader Criteria;

(k) cause the minutes of the JRDC to reflect any selection of a Degrader as a Second Additional Degrader, whether by the JRDC or the R&D Expert or by Sanofi in accordance with Section 2.5.7;

(l) review and discuss reports and data provided by Kymera pursuant to Section 2.6.5 within [***] after the delivery of each such report, and determine if a relevant Degrader satisfies the M2 Criteria;

(m) cause the minutes of the JRDC to reflect any selection of a Collaboration Compound as a Collaboration Candidate, whether by the JRDC or the R&D Expert;

(n) review and discuss information provided by Kymera pursuant to Sections 2.4.5 and 2.5.5 and whether to approve any related overspend as a FAD Permitted Overrun or SAD Permitted Overrun;

(o) review, discuss and approve a FAD Research Budget Excession or SAD Research Budget Excession in accordance with Sections 2.4.5 and 2.5.5, including whether any such FAD Research Budget Excession or SAD Research Budget Excession was in Kymera's reasonable control;

(p) review, discuss and determine whether Research Activities under Section 2.6.3 should be discontinued;

(q) review and discuss information provided by Kymera pursuant to Section 2.6.4 and whether to approve any related overspend as a Series 2 Permitted Overrun;

(r) review, discuss and approve Series 2 Research Budget Excession in accordance with Section 2.6.4, including whether any such Series 2 Research Budget Excession was in Kymera's reasonable control;

(s) discuss and approve a transfer of Materials from one Party to the other Party in accordance with Section 2.9 and discuss information provided by a Party with respect to MTA Research Studies;

(t) during the Research Term prior to Sanofi's exercise of the Sanofi Participation Election Right with respect to Collaboration Target 2, determine the first Indication for which the first IND will be filed with respect to a Licensed Product;

(u) discuss and approve a transfer of Materials from one Party to the other Party in accordance with Section 3.5 and discuss information provided by a Party with respect to MTA Development Studies;

(v) review and discuss reports provided by a Party pursuant to Section 2.11, Section 3.7 or Section 5.5;

(w) to the extent contemplated by Section 5.2.3, review, discussion and approve an extension of time during which Kymera will make its personnel reasonably available;

(x) review and discuss information provided by Kymera pursuant to Section 5.5.6 and whether to approve any related overspend as a Permitted Backup Research Overrun;

(y) review, discuss and determine, in accordance with Section 5.5.6, whether any Backup Research Budget Excession was in Kymera's reasonable control;

(z) review and discuss reports and data provided by Kymera pursuant to Section 5.5.7 within [***] after the delivery of each such report, and determine if a relevant Degrader satisfies the Backup Degrader Criteria;

(aa) cause the minutes of the JRDC to reflect any selection of a Degrader as a Backup Degrader, whether by the JRDC, the R&D Expert in accordance with Section 9.9.2(b)(iii) or by Sanofi in accordance with Section 5.5.10;

(bb) in coordination with the JPC, review and discuss any requests by Kymera pursuant to Section 5.6.5 regarding a potential reversion of any Collaboration Compounds or Collaboration Candidates Directed Against Collaboration Target 1 that were Researched by or on behalf of Kymera under Section 2.3, 2.4, 2.5 or 5.5 but have not been selected as the First Additional Degraders, Second Additional Degraders or Backup Degraders;

(cc) review and discuss reports provided by Sanofi in accordance with Section 5.9;

(dd) in coordination with the JMC, monitor Kymera's progress under the Early Development Plan to anticipate, and plan for, the transition of Manufacturing activities to Sanofi based on the anticipated Development timelines set forth in the Early Development Plan and the Late Development Plan;

(ee) in coordination with the JMC, determine whether it is reasonably foreseeable that [***];

(ff) discuss, review and approve, in accordance with Section 10.3.2, grants of Sublicenses by Kymera of any of the licenses granted to Kymera in Section 10.1.3 to additional Third Party contractors other than Approved Third Party Contractors, such approval not to be unreasonably withheld, conditioned or delayed;

(gg) review and discuss information provided by Sanofi pursuant to Exhibit A and whether to approve any related overspend as a Permitted U.S. Budget Overrun;

(hh) review, discuss and determine, in accordance with Section 5.5.6, whether any Research Budget Excession was in Kymera's reasonable control;

(ii) review, discuss and approve any U.S. Budget Excession in accordance with Exhibit A, including whether any U.S. Budget Excession was in Sanofi's reasonable control;

(jj) review, discuss and approve additional Third Party contractors as Approved Third Party Contractors;

(kk) determine reasonable expenses pursuant to Section 15.2.4; and

(ll) perform such other functions as are set forth in this Agreement, or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

Any failure of the Parties to agree on matters within the purview of the JRDC as set forth in this Section 9.2 will be resolved in accordance with the decision-making and escalation procedures set forth in Section 9.9.

9.3 **Joint Patent Committee**.

9.3.1 **Formation**. Pursuant to the Original Agreement, the Parties established a joint patent committee (the "**JPC**") to coordinate the Prosecution and Maintenance and enforcement of [***]. The JPC will be comprised of up to [***] representing each Party. Each Party's representative(s) on the JPC will be of the seniority and experience appropriate in light of the functions and responsibilities of the JPC. In addition, each Party may invite a reasonable number of additional subject matter experts, outside counsel or relevant personnel of such Party to participate in discussions and meetings of the JPC on an ad-hoc basis. Each Party may replace its representative(s) on the JPC at any time by providing notice in writing to the other Party. The JPC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence.

9.3.2 **Specific Responsibilities**. The JPC will, subject to the escalation, final decision-making authority and dispute resolution procedures in Section 9.9:

(a) in coordination with the JSC, review and discuss Potential In-Licenses (including related proposed economics);

(b) in coordination with the JRDC, review and discuss any requests by Kymera pursuant to Section 5.6 regarding a potential reversion of any Collaboration Compounds or Collaboration Candidates Directed Against Collaboration Target 1 that were Researched by or on behalf of Kymera under Section 2.3, 2.4, 2.5 or 5.5 but have not been selected as the First Additional Degraders, Second Additional Degraders or Backup Degraders;

(c) review, discuss and determine [***];

(d) coordinate the Prosecution and Maintenance activities under Article 12;

(e) consider matters raised to the JPC pursuant to Section 16.6.3; and

(f) perform such other functions as are set forth in this Agreement, or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

Any failure of the Parties to agree on matters within the purview of the JPC as set forth in this Section 9.3.2 will be resolved in accordance with the decision-making and escalation procedures set forth in Section 9.9.

9.4 **Joint Manufacturing Committee**.

9.4.1 **Formation**. Pursuant to the Original Agreement, the Parties established a joint manufacturing committee (the "**JMC**") to act as a forum to review, discuss and oversee Manufacturing activities under this Agreement. The JMC will be comprised of [***] from each Party. Each Party's representatives on the JMC will be of the seniority and experience appropriate in light of the functions and responsibilities of the JMC. In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the JMC; *provided* that such individuals will have no decision-making authority. Each Party's representatives on the JMC and all other individuals attending or participating in discussions and meetings of the JMC on

behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provisions of Article 16. Each Party may replace its representatives on the JMC at any time by providing notice in writing to the other Party. Prior to the Sanofi Participation Election Effective Date, each Party will appoint one of its representatives on the JMC to act as a co-chairperson of the JMC; thereafter, Sanofi will designate the chairperson of the JMC. The chairperson of the JMC will be responsible for setting the agenda for meetings of the JMC with input from the other members, and for conducting the meetings of the JMC. The JMC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence.

9.4.2 **Specific Responsibilities**. The JMC will, subject to the escalation, final decision-making authority and dispute resolution procedures in Section 9.9:

(a) work with the JSC to be responsible for overseeing Manufacturing activities under this Agreement;

(b) review, discuss and approve the CMC Transfer Plans;

(c) determine the timeline for technology transfer of CMC information for a Degrader Directed Against Collaboration Target 1 for which transfer will occur after the achievement of the relevant [***];

(d) in coordination with the JRDC, monitor Kymera's progress under the Research Plan and the Early Development Plan to anticipate, and plan for, the transition of Manufacturing activities to Sanofi based on the anticipated Development timelines set forth in the Research Plan, the Early Development Plan and the Late Development Plan;

(e) in coordination with the JRDC, (i) determine whether it is reasonably foreseeable that [***];

(f) discuss and approve changes to Schedule 8.4;

(g) discuss, review and oversee the transfer of Manufacturing activities to Sanofi or its CMO(s); and

(h) perform such other functions as are set forth herein or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

Any failure of the Parties to agree on matters within the purview of the JMC as set forth in this Section 9.4 will be resolved in accordance with the decision-making and escalation procedures set forth in Section 9.9.

9.5 **Joint Transition Team**.

9.5.1 **Formation.** On a Collaboration Target-by-Collaboration Target basis, within [***] after the relevant Sanofi Participation Election Effective Date for such Collaboration Target, the Parties will establish a joint transition team (the "**JTT**") to coordinate the transition of the relevant Collaboration Compounds, Collaboration Candidates

and Licensed Products Directed Against such Collaboration Target. The JTT will be comprised of [***] from each Party. Without limiting the foregoing, but subject to the escalation, final decision-making authority and dispute resolution procedures in Section 9.9, the JTT will be responsible for (a) finalizing and approving a transition plan, including transition activities that either Party will be obligated to perform under such transition plan and (b) performing such other activities as the Parties agree in writing will be the responsibility of the JTT with respect to such Collaboration Target. Each Party's representatives on the JTT will be of the seniority and experience appropriate in light of the functions and responsibilities of the JTT. In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the JTT; *provided* that such individuals will have no decision-making authority. Each Party's representatives on the JTT and all other individuals attending or participating in discussions and meetings of the JTT on behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provisions of Article 16. Each Party may replace its representatives on the JTT at any time by providing notice in writing to the other Party. Sanofi will designate the chairperson of the JTT. The chairperson of the JTT will be responsible for setting the agenda for meetings of the JTT with input from the other members, and for conducting the meetings of the JTT. The JTT will conduct its responsibilities hereunder in good faith and with reasonable care and diligence. Any failure of the Parties to agree on matters within the purview of the JTT as set forth in this Section 9.5 will be resolved in accordance with the decision-making and escalation procedures set forth in Section 9.9.

9.6 **Joint Commercialization Committee**.

9.6.1 **Formation.** The Parties will establish a joint commercialization committee (the "**JCC**") at least [***] to act as a forum to review, discuss and oversee Co-Promotion activities for Licensed Products Directed Against Collaboration Targets for which Kymera has exercised the Kymera Opt-In Right. The JCC will be comprised of [***] from each Party. Each Party's representatives on the JCC will be of the seniority and experience appropriate in light of the functions and responsibilities of the JCC. In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the JCC; *provided* that such individuals will have no decision-making authority. Each Party's representatives on the JCC and all other individuals attending or participating in discussions and meetings of the JCC on behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provisions of Article 16. Each Party may replace its representatives on the JCC at any time by providing notice in writing to the other Party. Sanofi will designate the chairperson of the JCC. The chairperson of the JCC will be responsible for setting the agenda for meetings of the JCC with input from the other members, and for conducting the meetings of the JCC. The JCC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence.

9.6.2 **Specific Responsibilities**. The JCC will, subject to the escalation, final decision-making authority and dispute resolution procedures in Section 9.9:

(a) review, discuss and approve the FTE Rate with respect to Co-Promote activities;

(b) ensure that each Co-Promotion Plan allocates to the Designated Sales Force a *pro rata* portion of centers of excellence and high prescribing physicians for the Opt-In Product(s);

(c) upon request of a Party, discuss the appropriate level of detail to include in a Co-Commercialization Budget;

(d) review, discuss and approve each proposed Co-Commercialization Plan; while endeavoring to approve each such Co-Commercialization Plan no later than [***] of each relevant Calendar Year;

(e) review, discuss and approve proposed updates or amendments to a Co-Commercialization Plan;

(f) review and discuss reports provided pursuant to Section 6.8 or a Co-Promotion Agreement;

(g) review, discuss and provide comments with respect to any promotional materials for the Co-Promotion of Opt-In Products;

(h) discuss notification from Kymera that Kymera wishes to decrease its then-allocated percentage of Detailing;

(i) oversee the Parties' joint promotional efforts;

(j) specify which commercial functional area experts (other than managed care) of Sanofi the Designated Sales Force will have access to;

(k) review and discuss the engagement by Sanofi of a commercial advertising agency to be used in connection with Detailing of the Opt-In Products, including the identity of such agency and the material terms of such engagement;

(l) establish the value of secondary position details, consistent with Sanofi's then-current standard operating procedures;

(m) establish benchmarks for the content and effectiveness of the principal promotional messages that are used by the Parties to promote the relevant Opt-In Product(s);

(n) develop a Corrective Plan in the event market research indicates that a Party's delivery of the principal promotional messages for an Opt-In Product set forth in the

applicable Co-Promotion Plan is not effective and not conveying the corresponding underlying promotional message;

(o) establish the PDE Cost;

(p) determine the anticipated commercial launch date of each Opt-In Product; and

(q) perform such other functions as are set forth in this Agreement, or as the Parties may mutually agree in writing, except where in conflict with any provision of this Agreement.

Any failure of the Parties to agree on matters within the purview of the JCC as set forth in this Section 9.6 will be resolved in accordance with the decision-making and escalation procedures set forth in Section 9.9.

9.7 **Joint Finance Committee**.

9.7.1 **Formation**. Within [***], the Parties will establish a joint finance committee (the "**JFC**") to coordinate the financial reporting by the Parties with respect to the funding of U.S. Development Costs for Opt-In Products pursuant to the Cost/Profit Sharing Agreement and to discuss and resolve financial disputes in connection therewith. The JFC will be comprised of [***] from each Party. Each Party's representatives on the JFC will be of the seniority and experience appropriate in light of the functions and responsibilities of the JFC. In addition, each Party may invite a reasonable number of additional subject matter experts or relevant personnel of such Party to participate in discussions and meetings of the JFC; *provided* that such individuals will have no decision-making authority. Each Party's representatives on the JFC and all other individuals attending or participating in discussions and meetings of the JFC on behalf of a Party will be bound under written confidentiality and non-use obligations with respect to information disclosed at such meeting that are no less restrictive than the provisions of Article 16. Each Party may replace its representatives on the JFC at any time by providing notice in writing to the other Party. Sanofi will designate the chairperson of the JFC. The chairperson of the JFC will be responsible for setting the agenda for meetings of the JFC with input from the other members, and for conducting the meetings of the JFC. The JFC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence.

9.7.2 **Specific Responsibilities**. The JFC will, subject to the escalation, final decision-making authority and dispute resolution procedures in Section 9.9:

(a) facilitate, in coordination with the JSC and JCC, the creation of U.S. Development Budget and Co-Commercialization Budget, including the annual updates thereto;

(b) reconcile financial and accounting matters between the Parties;

(c) initiate and execute an effective and efficient revenue and cost sharing process (cross-charges);

(d) cooperate to ensure that the U.S. Development Budget and Co-Commercialization Budget agreed to for a Calendar Year (or any other given period) can be interpreted for the purposes of both Parties' internal financial and audit reporting requirements, including each Party's fiscal year reporting;

(e) monitor the budget, expense and revenue reporting requirements between the Parties related to each Cost/Profit Sharing Agreement to ensure that each Party is able to comply with its respective internal financial and audit reporting requirements and, as appropriate, recommending to the JSC for approval, changes to the reporting requirements under this Agreement; and

(f) undertake such other tasks with respect to the calculation, implementation and reporting for the Parties' sharing of U.S. Development Costs, Allowable Expenses, Net Profits or Net Losses as the Parties mutually agree.

Any failure of the Parties to agree on matters within the purview of the JFC as set forth in this Section 9.7 will be resolved in accordance with the decision-making and escalation procedures set forth in Section 9.9.

9.8 **Meetings; Minutes**.

9.8.1 Each Committee will meet in person or by teleconference at least [***] following the formation thereof on such dates and at such times and places as agreed to by the members of the such Committee; *provided* that (i) at least [***] such meeting of each Committee per Calendar Year will be in person unless the Parties agree otherwise and (ii) the first meeting of the JCC will occur within [***] of the date on which Sanofi proposes the initial Co-Commercialization Plan to the JCC. Each Party will be responsible for its own expenses relating to attendance at, or participation in, Committee meetings. Upon [***] prior written notice, either Party may convene a special meeting of a Committee for the purpose of discussing any urgent matter within the scope of the authority and responsibility of such Committee.

9.8.2 The responsibility for preparing the minutes will alternate between the Alliance Managers or their respective designees on a meeting-by-meeting basis. The Alliance Manager or its designee responsible for the minutes will provide the other Alliance Manager and the members of such Committee with draft written minutes for the Committee's approval from each meeting within [***] after each such meeting setting forth, among other things, a description, in reasonable detail, of the discussions at the meeting and a list of any actions, decisions, or determinations approved by the Committee. Such minutes will be effective only after being approved by both Parties. If the minutes of any meeting of the Committee are not approved by the Committee (with each Party's representatives on the Committee collectively having one (1) vote) within [***] after the meeting, the objecting Party will append a notice of objection with the specific details of the objection to the proposed minutes. Should a decision be made by a Committee outside of a meeting, such decision may be made by a written resolution unanimously agreed to by the Parties; notwithstanding anything herein to the contrary, such written agreement may be by email. Notwithstanding the foregoing, no minutes will be prepared for meetings of the JPC.

9.9 **Decisions; Disputes**.

9.9.1 **Decisions and Disputes within Committees other than the JSC**. With respect to decisions of all Committees other than the JSC, the representatives of each Party will have collectively one (1) vote on behalf of such Party. For each meeting of such Committee, at least [***] of each Party will constitute a quorum and each Party will use Commercially Reasonable Efforts to have its representative(s) participate in each Committee meeting. Action on any matter may be taken at a meeting, by teleconference, videoconference or by written agreement. Each such Committee will attempt to resolve any and all matters before it for decision by consensus. If a Committee other than the JSC is unable to resolve a matter by consensus during a period of [***], then (a) with [***] with respect to all other matters not discussed in the foregoing clauses (a)-(d), such matter(s) will be escalated to the JSC. Any action of any Committee taken pursuant to this Section 9.9 will be recorded in meeting minutes in accordance with Section 9.8.2. Notwithstanding anything to the contrary set forth in this Agreement, without the other Party's prior written consent, no exercise of a Party's decision-making authority on any such matters may, without the other Party's prior written consent, (i) conflict with any of the express terms of this Agreement or any Co-Promotion Agreement or Cost/Profit Sharing Agreement, (ii) impose any requirements that the other Party take or decline to take any action that would result in a violation of any Law or any Collaboration In-License Agreement or (iii) otherwise conflict with this Agreement.

9.9.2 **JSC Decisions and Disputes**. With respect to decisions of the JSC, the representatives of each Party will have collectively one (1) vote on behalf of such Party. For each meeting of the JSC, at least [***] of each Party will constitute a quorum and each Party will use Commercially Reasonable Efforts to have its representative(s) participate in each JSC meeting. Action on any matter may be taken at a meeting, by teleconference, videoconference or by written agreement. The JSC will attempt to resolve any and all matters before it for decision by consensus. If a dispute is escalated to the JSC by any Subcommittee, then at the next meeting of the JSC each Party will provide analysis to support its position with respect to the dispute.

(a) If the JSC is unable to reach a consensus with respect to a matter before the JSC within [***], then the dispute will be submitted to a senior executive of each of Kymera and Sanofi to be designated by Kymera and Sanofi, respectively, for resolution.

(b) If such escalated dispute cannot be resolved by the senior executives during a period of [***], then

(i) On a Collaboration Target-by-Collaboration Target basis, prior to the Sanofi Participation Election Effective Date (if any), except as set forth in Article 12, (A) Kymera will have final decision-making authority on all matters, except as to the following matters: [***]; (B) subject to the terms and obligations set forth in Article 8, each Party will have final decision-making authority with respect to matters concerning [***]; and (C) Sanofi shall have final decision making authority on [***].

(ii) On a Collaboration Target-by-Collaboration Target basis, following the Sanofi Participation Election Effective Date (if any), except as set forth in Article

12, Sanofi will have final decision-making authority on all matters, except as to the following matters: [***]. Following the Sanofi Participation Election Effective Date (if any), Sanofi will have final decision making authority with respect to matters concerning [***].

(iii) If the dispute arises out of any of [***] (each of the foregoing, an "**Expert Dispute**") the Parties will submit such matter for resolution in accordance with Schedule 9.9.2(b)(iii), and the determination of the R&D Expert will be binding on the Parties. For avoidance of doubt, the Parties will be bound by the determination of such R&D Expert and neither Party nor the JSC will have authority to modify or amend the finding of the R&D Expert.

(iv) If the dispute is related to [***], then the Parties will submit their respective proposals to arbitration in accordance with the provisions set forth on Schedule 9.9.2(b)(iv).

(v) If the dispute is related to the calculation, sharing, or payment of amounts owed with respect to U.S. Development Costs, Allowable Expenses or Net Profits and Net Losses during the Opt-In Period in accordance with this Agreement or the Cost/Profit Sharing Agreement (a "**Finance Dispute**"), then such dispute will be resolved by "Baseball" arbitration in accordance with the provisions set forth on Schedule 9.9.2(b)(v).

(vi) If the dispute relates to a Party's request that Kymera suspend or cease Development activities due to a Safety Concern prior to the Sanofi Participation Election Effective Date (if any), Kymera will suspend or cease such Development activities unless and until the Parties mutually agree to re-start such Development activities.

(vii) For all other disputes, a Party may institute dispute resolution procedures pursuant to Section 18.12 (excluding Section 18.12.1).

(c) The JSC will conduct its activities in good faith and will not have the power to (i) amend or modify the Parties' respective rights and obligations under this Agreement or (ii) resolve any dispute between the Parties regarding such rights and obligations.

(d) Where this Agreement or any Co-Promotion or Cost/Profit Sharing Agreement refers to a decision or determination or similar action by a Committee and the relevant matter is decided pursuant to this Section 9.9, such decision, determination or similar action will be deemed to have been made by the relevant Committee.

9.10 **Discontinuation of the Committees**. The JSC and JPC will remain in existence throughout the Term, unless the Parties mutually agree to terminate the responsibilities of such Committee with respect to each Collaboration Target. The JRDC will disband and terminate on the effective date of expiration of the latest to expire Sanofi Participation Election with respect to the Collaboration Candidates. The JMC will disband and terminate upon completion of technology transfer pursuant to Section 8.1. The JTT will disband and terminate upon the completion of all transitions of the relevant Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against each Collaboration Target. The JCC and JFC will disband and terminate on the effective date of termination or expiration of the Opt-In Period or, with respect to the JCC, termination of Kymera's Co-Promotion activities pursuant to Section 10.8.3(b) or the Co-Promotion Agreement.

9.11 **Establishment of Sub-Committees**. Each Committee may establish sub-committees or working groups to interact on a more frequent basis on specific projects and tasks assigned to them by such Committee; *provided*, that the authority of such sub-committees or working groups will not expand beyond the authority of the applicable Committee. Any such sub-committees or working groups will have no decision-making authority, but will make recommendations to the applicable Committee for its review and approval.

9.12 **Alliance Managers**.

9.12.1 **Appointment**. Each Party will appoint a representative of such Party to act as its alliance manager under this Agreement (each, an "**Alliance Manager**"). Each Party may replace its Alliance Manager at any time upon notice to the other Party. The Alliance Managers as of the Restatement Effective Date will be:

For Sanofi: [***]

For Kymera: [***]

9.12.2 **Specific Responsibilities**. The Alliance Managers will attend all meetings of each Committee (other than the JPC) but may not be members of any Committee. The Alliance Managers will serve as the primary contact point between the Parties for the purpose of providing each Party with information regarding the other Party's activities pursuant to this Agreement and will have the following responsibilities:

(a) schedule meetings of each Committee and circulate draft written minutes as *provided* in Section 9.8;

(b) oversee and facilitate the flow of information and otherwise promote communication, coordination and collaboration between the Parties;

(c) provide a single point of communication for seeking consensus both internally within the respective Party's organization and between the Parties regarding key strategy and planning issues; and

(d) perform such other functions as requested by the JSC.

ARTICLE 10
LICENSE GRANTS; EXCLUSIVITY

10.1 **License Grants to Sanofi**.

10.1.1 Subject to the terms of this Agreement, on a Collaboration Target-by-Collaboration Target basis, during the period commencing on the Original Agreement Execution Date and expiring on the Original Agreement Effective Date, Kymera hereby grants to Sanofi a non-exclusive, non-royalty bearing license, including the right to grant Sublicenses in accordance with Section 10.3, under the Licensed Technology to perform CMC process development activities and Manufacturing of [***].

10.1.2 Subject to the terms of this Agreement, on a Collaboration Target-by-Collaboration Target basis, during the Research Term, solely to the extent that Sanofi has any Step-In Activities, CMC activities, Manufacturing activities, or other activities under the Research Plan, Early Development Plan and Phase 2 Activities, Kymera hereby grants to Sanofi a non-exclusive, non-royalty bearing license, including the right to grant Sublicenses in accordance with Section 10.3, under the Licensed Technology to perform such Step-In Activities, CMC activities, Manufacturing activities, or other activities under the Research Plan, Early Development Plan or Phase 2 Activities, as applicable.

10.1.3 Subject to the terms of this Agreement, on a Collaboration Target-by-Collaboration Target basis, Kymera hereby grants to Sanofi (a) an exclusive license (even as to Kymera), including the right to grant Sublicenses in accordance with Section 10.3, under the Licensed Technology to Research, Develop and Manufacture Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against such Collaboration Target in the applicable Field in the Territory, and (b) an exclusive (even as to Kymera) royalty-bearing license under the Licensed Technology to Commercialize Licensed Products Directed Against such Collaboration Target in the applicable Field in the Territory (collectively, the "**Exclusive Licenses**"); [***], and (ii) such Exclusive Licenses are subject to immediate termination (and without any further action) as set forth in Section 4.4.

10.1.4 [***]

10.2 **License Grant to Kymera**. Subject to the terms and conditions of this Agreement, including Section 8.1, on a Collaboration Target-by-Collaboration Target basis during the Term, Sanofi hereby grants to Kymera a non-exclusive license under (i) the Sanofi Technology, and (ii) the Exclusive Licenses under Section 10.1.3, each including the right to grant Sublicenses in accordance with Section 10.3, solely to perform Kymera's obligations under this Agreement. The foregoing license to Kymera and its Affiliates includes, on a Collaboration Target-by-Collaboration Target basis, a license to Kymera and its Affiliates to (a) perform activities under the Research Plan, Early Development Plan and Backup Research Plan for a given Collaboration Target, (b) if Kymera exercises the Kymera Co-Promote Right for a Collaboration Target, to perform Co-Promotion activities for Opt-In Products Directed Against such Collaboration Target in the applicable Field in the United States, and (c) perform Manufacturing activities for Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against such Collaboration Target as set forth in this Agreement.

10.3 **Sublicensing**.

10.3.1 **By Sanofi**.

(a) Sanofi may grant Sublicenses (through multiple tiers) to its Affiliates and Third Party Subcontractors (including CMOs) of any of the licenses granted to Sanofi in Section 10.1 without the prior consent of Kymera.

(b) Subject to Section 10.3.1(c), Sanofi may grant Sublicenses (through multiple tiers) to [***].

(c) [***]. As used herein, "[***]" means [***].

10.3.2 **By Kymera**. Kymera may grant Sublicenses to its Affiliates and to Approved Third Party Contractors of any of the licenses granted to Kymera in Section 10.2 without the prior consent of Sanofi. In addition, Kymera may grant Sublicenses to additional Third Party contractors [***].

10.3.3 **Generally**.

(a) Except as expressly set forth in Section 10.3.1 or Section 10.3.2, prior to granting a Sublicense of the licenses granted in Sections 10.1 or 10.2, the sublicensing Party will obtain the prior written consent of the other Party. For clarity, Sanofi has no licenses or other rights with respect the Excluded Compounds except with as expressly provided in Section 10.1.4.

(b) Each such Sublicense will be consistent with, the terms of this Agreement and will require such Sublicensee to comply with all applicable terms of this Agreement. The sublicensing Party will, as soon as reasonably practicable thereafter (and in any event within [***]), provide the other Party with a copy of an executed Sublicense with a Third Party Sublicensee (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 10.3), *provided* that a Party will have no obligation to provide the other Party with any copy of any Subcontractor agreement. Each Sublicense will contain the following provisions: [***]. Notwithstanding any Sublicense, the Party that grants a Sublicense will remain liable to the other Party for the performance of the granting Party's obligations hereunder, and will be responsible for all actions and omissions of each Sublicensee of such Party, as if such Sublicensee were such Party hereunder.

10.4 **No Implied Licenses**. Except as expressly provided in this Agreement, no Party will be deemed by estoppel, implication or otherwise to have granted the other Party any licenses or other right with respect to any intellectual property.

10.5 **Bankruptcy**. All rights and licenses granted under or pursuant to this Agreement by a Party to the other are and will otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101 of the Bankruptcy Code. The Parties agree that the Parties will retain and may fully exercise all of their rights and elections under the Bankruptcy Code and any foreign equivalent thereto. The Parties further agree that if (x) a bankruptcy proceeding by or against a Party (the "**Bankrupt Party**") is commenced under the Bankruptcy Code, (y) this Agreement is rejected as *provided* in the Bankruptcy Code, and (z) the other Party (the "**Non-Bankrupt Party**") elects to retain its rights hereunder as *provided* in Section 365(n) of the Bankruptcy Code, the Non-Bankrupt Party will be entitled to a complete duplicate of, and complete access to (as the Non-Bankrupt Party deems appropriate), all such intellectual property and all embodiments of such intellectual property. Upon such occurrence, such intellectual property and all embodiments of such intellectual property will be promptly delivered to the Non-Bankrupt Party. The Bankrupt Party (in any capacity, including debtor-in-possession) and its successors and assigns (including any trustee) agrees not to interfere with the exercise by the Non-Bankrupt Party of its rights and licenses to such intellectual property and such embodiments of intellectual property in accordance with this Agreement, and agrees to assist the Non-Bankrupt Party and its Affiliates in obtaining such intellectual property and such embodiments of intellectual property in the possession or control of Third Parties. The foregoing provisions are without prejudice to any rights the

Non-Bankrupt Party may have arising under the Bankruptcy Code or other Applicable Law. As used herein, "**Bankruptcy Code**" means Title 11, United States Code, as from time to time in effect.

10.6 **Exclusivity Covenants**.

10.6.1 From and after the Original Agreement Effective Date and [***], on a Collaboration Target-by-Collaboration Target basis, except as expressly permitted under this Agreement, each Party and its Affiliates will not [***].

10.6.2 From and after the Original Agreement Effective Date and [***], for Collaboration Target 1, each Party and its Affiliates will not, itself or through any Affiliate or Third Party [***].

10.6.3 From and after the Original Agreement Effective Date and [***], for Collaboration Target 1 [***].

10.6.4 From and after the Original Agreement Effective Date and [***], with respect to Collaboration Target 1, Kymera and its Affiliates will [***].

10.6.5 The Parties hereby acknowledge and agree that neither Party's obligations under this Section 10.6 will apply to any activities intended by such Party or any of its Affiliates to ensure its compliance with this Section 10.6 (*e.g.*, using screening assays for compounds). In addition, notwithstanding the foregoing, the rights and licenses granted to the Counterparty pursuant to the Third Party Agreement, and the Counterparty's practice of such rights and licenses, did not and will not constitute a breach of this Section 10.6.

10.7 **Acquisition of Competing Product**.

10.7.1 Notwithstanding the provisions of Section 10.6, if a Party or any of its Affiliates (such Party, the "**Competing Party**") acquires rights to research, develop, manufacture, or commercialize a product in the applicable Field as the result of a merger, acquisition or combination with or of a Third Party other than a Change of Control of such Party (each, an "**Acquisition Transaction**") and, on the date of the closing of such Acquisition Transaction, such product is being researched, developed, manufactured or commercialized and such activities would, but for the provisions of this Section 10.7, constitute a breach of Section 10.6 (such product, a "**Competing Product**"), the Competing Party or such Affiliate will, within [***] notify the other Party in writing of such acquisition and either:

(a) [***];

(b) [***]; or

(c) [***].

10.7.2 During the discussion period under Section 10.7.1(a), prior to the time of divestiture pursuant to Section 10.7.1(b) or prior to the termination of activities pursuant to Section 10.7.1(c), as applicable, the Competing Party and its Affiliates will [***].

10.8 **Change of Control**.

10.8.1 Each Party will notify the other Party in writing promptly (and in any event within [***]) following the closing of a Change of Control of such Party (the Party subject to the Change of Control, the "**Acquired Party**").

10.8.2 On a Collaboration Target-by-Collaboration Target basis, if, as of the closing of the Change of Control, the acquirer or its Affiliates (other than the Acquired Party and its Preexisting Affiliates) (the "**Acquiring Parties**") possess rights to research, develop, manufacture, or commercialize a Competing Product Directed Against a given Collaboration Target in the applicable Field on the closing of the Change of Control transaction, [***].

10.8.3 If the Acquired Party is Kymera and the Acquiring Parties possess rights to research, develop, manufacture, or commercialize a Competing Product in the applicable Field as permitted pursuant to Section 10.8.2 as of the closing of the Change of Control transaction, then:

(a) [***]; and

(b) on a Collaboration Target-by-Collaboration Target basis, Sanofi may, in its sole discretion, within [***].

ARTICLE 11
FINANCIAL PROVISIONS

11.1 **Up-Front Fee**. Under the Original Agreement, Sanofi paid Kymera a one-time, non-refundable, non-creditable, up-front fee of One Hundred Fifty Million Dollars ($150,000,000) that is not subject to set-off.

11.2 **Milestone Payments**.

11.2.1 **Early Development Milestones**. On a Collaboration Target-by-Collaboration Target basis, Sanofi will pay to Kymera the milestone payments (each an "**Early Development Milestone Payment**") set forth in this Section 11.2.1 upon the [***] (each an "**Early Development Milestone Event**") with respect to a Licensed Product Directed Against such Collaboration Target, as applicable, in each case, subject to reductions pursuant to Section 11.2.5.

Collaboration Target 1 – Early Development Milestones		
Milestone Number	**Early Development Milestone Event**	**Early Development Milestone Payment**
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

Collaboration Target 2 – Early Development Milestones		
Milestone Number	**Early Development Milestone Event**	**Early Development Milestone Payment**
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

On a Collaboration Target-by-Collaboration Target basis, each of the Early Development Milestone Payments [***]. Further, in no event will the Early Development Milestone Payments with respect to [***] exceed [***], will the Early Development Milestone Payments with respect to [***] exceed [***], nor will the total Early Development Milestone Payments exceed [***].

11.2.2 **Pre-POC Milestones**. On a Collaboration Target-by-Collaboration Target basis, Sanofi will pay to Kymera the milestone payments (each a "**Pre-POC Milestone Payment**") set forth in this Section 11.2.2 upon the [***] (each a "**Pre-POC Milestone Event**") with respect to a Licensed Product Directed Against such Collaboration Target in each case, subject to reductions pursuant to Section 11.2.5. Each of the Pre-POC Milestone Payments for each Collaboration Target is payable [***], and no such Pre-POC Milestone Payment will be payable for [***]. Further, for the avoidance of doubt, with respect to [***], the Pre-POC Milestone Payments will be paid [***] under one of the following Sections 11.2.2(a)(i), 11.2.2(a)(ii) or 11.2.2(a)(iii) based on the nature of [***].

(a) **Pre-POC Milestones for** [***].

(i) If the first Clinical Trial for a Licensed Product [***] conducted after the Initiation of the Kymera Existing Phase 1 Clinical Trial (A) *does not* contain [***] and (B) is a [***], then the following Pre-POC Milestone Payments shall be paid.

Milestone Event	Pre-POC Milestone Event	Pre-POC Milestone Payment
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

(ii) If the first Clinical Trial for a Licensed Product [***] conducted after the Initiation of the Kymera Existing Phase 1 Clinical Trial (A) *does* contain [***] and (B) is a [***], then the following Pre-POC Milestone Payments shall be paid.

	First person dosed in the first [***] **that *does* contain** [***] **(Column 1)**	**First person dosed in a second** [***] **that *does* contain** [***] **(Column 2)**	**First person dosed in the first** [***] **that *does not* contain** [***] **(Column 3)**
[***] **(Row 1)**	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

(iii) If the [***] (A) *does* contain [***] and (B) is any type of [***], then the following Pre-POC Milestone Payments shall be paid.

Milestone Event	Pre-POC Milestone Event	Pre-POC Milestone Payment
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

(iv) The maximum payment for the Pre-POC Milestone Event 1 for [***] shall be: (a) [***] or (b) [***].

(v) In no event will the Pre-POC Milestone Payments associated with [***].

(b) **Pre-POC Milestones for** [***].

[***] – **Pre-POC Milestones**		
Milestone Number	**Pre-POC Milestone Event**	**Pre-POC Milestone Payment**
[***]	[***]	[***]

(i) In no event will the Pre-POC Milestone Payments with respect to [***] exceed [***], nor will the [***].

(c) **Additional Provisions**.

(i) For [***]. By way of example, [***]. As an alternative example, [***].

(ii) For the avoidance of doubt, (I) [***].

(iii) [***].

11.2.3 **Post-POC Milestones**. On a Collaboration Target-by-Collaboration Target basis, to the extent indicated below, on a Licensed Product-by-Licensed Product basis, Sanofi will pay to Kymera the milestone payments (each a "**Post-POC Milestone Payment**", and together with the Early Development Milestone Payments and the Pre-POC Milestone Payments, the "**Development Milestone Payments**") set forth in this Section 11.2.3 upon the [***] (each a "**Post-POC Milestone Event**", and together with the Early Development Milestone Events and the Pre-POC Milestone Events, the "**Development**

Milestone Events") with respect to a Licensed Product Directed Against each Collaboration Target, in each case, subject to reductions forth in this Section 11.2.3 or Section 11.2.5.

Collaboration Target 1 – Post-POC Milestones			
Milestone Number	**Post-POC Milestone Event**	**Column A:** [***]	**Column B:** [***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

For [***]; provided that, for the avoidance of doubt, (I) [***].

For clarity, the amounts in Columns A and B with respect to [***]. For further clarity, as indicated in the table above, certain Milestone Events are achievable with respect to [***].

Each of the Post-POC Milestone Payments for Collaboration Target 1 are [***].

For illustration purposes only: If a Licensed Product [***].

The Post-POC Milestone Payment associated with the [***] Post-POC Milestone Event with respect to Collaboration Target 1 is due in addition to the Post-POC Milestone Payments associated with the [***] Post-POC Milestone Event with respect to Collaboration Target 1, and will occur in connection with the [***]. For clarity, the [***] Post-POC Milestone Event with respect to Collaboration Target 1 is payable [***].

If [***].

For the avoidance of doubt, [***].

If [***].

For the avoidance of doubt, [***]. Further, in no event will the Post-POC Milestone Payments associated with Collaboration Target 1 exceed [***].

Collaboration Target 2 – Post-POC Milestones		
Milestone Number	**Post-POC Milestone Event**	**Post-POC Milestone Payment**
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

For Collaboration Target 2, if [***].

For illustration purposes only: [***].

If [***].

For the avoidance of doubt, if [***].

All Post-POC Milestones Events with respect to each Collaboration Target that are achieved outside of the corresponding Opt-In Period will be paid at [***] of the amounts set forth above.

Each of the Post-POC Milestone Payments for Collaboration Target 2 is payable [***].

In no event will the Post-POC Milestone Payments associated with Collaboration Target 2 exceed [***] nor will the total Post-POC Milestone Payments exceed [***].

On a Collaboration Target-by-Collaboration Target basis, if a Licensed Product is not required to undergo the Post-POC Milestone Event associated with any such Post-POC Milestone Payment, such skipped Post-POC Milestone Event will be deemed to have been achieved upon the achievement by such Licensed Product of the next successive Post-POC Milestone Event. Payment for any such skipped Post-POC Milestone Event that is owed in accordance with the provisions of the foregoing sentence with respect to a given Licensed Product will be due concurrently with the payment for the next successive Post-POC Milestone Event by such a Licensed Product.

11.2.4 **Commercial Milestones**. On a Collaboration Target-by-Collaboration Target basis, Sanofi will pay Kymera the milestone payments (each a "**Commercial Milestone Payment**", and, together with the Development Milestone Payments, the "**Milestone Payments**") set forth in this Section 11.2.4 in accordance with the procedure set forth in Section 11.2.5 upon the [***] (each, a "**Commercial Milestone Event**", and, together with the Development Milestone Events, the "**Milestone Events**") with respect to [***], in each case, subject to reductions pursuant to Section 11.2.5.

Commercial Milestone Event for Collaboration Target 1	**Commercial Milestone Payment for all Licensed Products Directed Against Collaboration Target 1**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Commercial Milestone Event for Collaboration Target 2	**Commercial Milestone Payment for a Licensed Product Directed Against Collaboration Target 2**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Each of the Commercial Milestone Payments for Collaboration Target 1 is payable [***]. Each of the Commercial Milestone Payments for Collaboration Target 2 is payable [***]. Further, in no event will the Commercial Milestone Payments associated with Collaboration Target 1 exceed [***], nor will the Commercial Milestone Payments associated with any particular Licensed Product Directed Against Collaboration Target 2 exceed [***].

Notwithstanding anything herein to the contrary, for purposes of the Commercial Milestone Events, on a Collaboration Target-by-Collaboration Target basis, "**Annual Net Sales**" means [***].

On a Collaboration Target-by-Collaboration Target basis, the Commercial Milestone Payments in this Section 11.2.4 are [***], such that if more than [***]Commercial Milestone Event specified in this Section 11.2.4 is achieved in the same [***] with respect to a particular Collaboration Target, then [***].

11.2.5 **Opt-In Period, Opt-Out**.

(a) During the Opt-In Period (if any) for any Collaboration Target, (i) Kymera may [***] and (ii) except as *provided* in clauses (b) and (c) below, Kymera will [***].

(b) [***].

(c) [***].

11.2.6 **Notice; Payment**. Each Milestone Payment will be deemed earned upon achievement of the corresponding Milestone Event, and Sanofi will provide Kymera with written notice upon the achievement of each of the Milestone Events set forth in Sections 11.2.1, 11.2.2, 11.2.3 and 11.2.4, such written notice to be *provided* (i) with respect to any Milestone Event under Section 11.2.1, 11.2.2 or 11.2.3, within [***] and (ii) with respect to any Milestone Event under Section 11.2.4 [***] for the Calendar Quarter in which such Milestone Event is first achieved. Following receipt of such written notice, Kymera will

promptly invoice Sanofi for the applicable milestone and Sanofi will make the appropriate Milestone Payment within [***].

11.2.7 **General Right to Reconcile Payments**. Sanofi will have the right to offset [***], against any payments owed by Sanofi to Kymera under this Agreement. Such offsets will be in addition to any other rights or remedies available under this Agreement and Applicable Law.

11.3 **Royalties**.

11.3.1 **Royalty Rates**. Subject to Sections 11.3.2, 11.3.3, 11.3.4, 11.3.6, 11.3.7 and 11.3.8, on a Collaboration Target-by-Collaboration Target, Licensed Product-by-Licensed Product and country-by-country basis, Sanofi will pay Kymera royalties based on the aggregate Net Sales of the applicable Licensed Product sold by Sanofi, its Affiliates or Sublicensees in the applicable Field during a Calendar Year at the rates set forth in the applicable table below. The obligation to pay royalties will be imposed only once with respect to the same unit of a Licensed Product.

Collaboration Target 1	
Calendar Year Net Sales (in U.S. Dollars) for such Licensed Products	**Royalty Rates as a Percentage (%) of Net Sales**
Portion of Calendar Year Net Sales up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***]	[***]

Collaboration Target 2	
Calendar Year Net Sales (in U.S. Dollars) for such Licensed Products	**Royalty Rates as a Percentage (%) of Net Sales**
Portion of Calendar Year Net Sales up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]
Portion of Calendar Year Net Sales that exceeds [***]	[***]

The applicable royalty rate set forth in the applicable table above will apply only to that portion of the Net Sales of a given Licensed Product during a given Calendar Year that falls within the indicated range. By way of example and without limitation of this Section 11.3.1, if Calendar Year Net Sales by Sanofi, its Affiliates and Sublicensees of a given Licensed Product Directed Against Collaboration Target 2 were [***], then the royalties payable with respect to such Calendar Year Net Sales for such Licensed Product for such Calendar Year, subject to adjustment as set forth in this Section 11.3.1, would be: [***].

Notwithstanding the foregoing, on a Collaboration Target-by-Collaboration Target basis, in the event that Kymera exercised the Kymera Opt-In Right and later exercises the Kymera Opt-Out Right, the royalty rates will be as follows:

Collaboration Target 1		
Calendar Year Net Sales (in U.S. Dollars) for such Licensed Products	**Royalty Rates as a Percentage (%) of Net Sales if Kymera has borne U.S. Development Expenses at least equal to [***] but less than [***]**	**Royalty Rates as a Percentage (%) of Net Sales if Kymera has borne U.S. Development Expenses at least equal to [***]**
Portion of Calendar Year Net Sales up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***]	[***]	[***]

Collaboration Target 2		
Calendar Year Net Sales (in U.S. Dollars) for such Licensed Products	**Royalty Rates as a Percentage (%) of Net Sales if Kymera has borne U.S. Development Expenses at least equal to** [***] **but less than** [***]	**Royalty Rates as a Percentage (%) of Net Sales if Kymera has borne U.S. Development Expenses at least equal to** [***]
Portion of Calendar Year Net Sales up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***] up to and including [***]	[***]	[***]
Portion of Calendar Year Net Sales that exceeds [***]	[***]	[***]

[***].

11.3.2 **Royalty Term**. Sanofi will pay royalties to Kymera under this Section 11.3 on a Licensed Product-by-Licensed Product and a country-by-country basis during the Royalty Term for such Licensed Product in such country. Upon the expiration of the Royalty Term for a given Licensed Product in a given country, the Exclusive License granted to Sanofi under Section 10.1 will become fully-paid, perpetual, irrevocable and royalty free with respect to such Licensed Product.

11.3.3 **Reduction for Lack of Patent Coverage**. If during any period within the applicable Royalty Term for a country, no Valid Claim of any Patent within the Licensed Technology (which includes, for clarity, the Joint Foreground Patents) exists that Covers the sale or use of such Licensed Product in such country, then the royalty rate applied to Net Sales of such Licensed Product in such country will be reduced by [***] for purposes of calculating the royalty owed under Section 11.3.1 for the remainder of the Royalty Term for such Licensed Product in such country.

11.3.4 **Reduction for Competition**.

(a) Following the First Commercial Sale of a Generic Product in a given country, if during any Calendar Quarter during the Royalty Term for a Licensed Product in such country, the average quarterly Net Sales of Licensed Product sold [***] declines [***] or more when compared to the average quarterly Net Sales of such Licensed Product in such country during the [***] immediately prior to the First Commercial Sale of such Generic Product, then the royalty rate with respect to Net Sales of such Licensed Product in such country will automatically be reduced to [***] of the royalty rate otherwise applicable with respect to such Licensed Product in such country for such Calendar Quarter.

(b) Further, following the First Commercial Sale of a Generic Product in a given country, if during any Calendar Quarter during the Royalty Term for a Licensed Product in such country, the average quarterly Net Sales of Licensed Product sold [***] declines [***] or more when compared to the average quarterly Net Sales of such Licensed Product in such country during the [***] immediately prior to the First Commercial Sale of such Generic Product, then the royalty rate with respect to Net Sales of such Licensed Product will automatically be reduced [***] with respect to such Licensed Product in such country.

11.3.5 **Third Party Licenses**. Sanofi may deduct from the royalties payable to Kymera under this Section 11.3 [***] of any Blocking Third Party Intellectual Property Costs and In-License Costs paid by Sanofi prior to or during such Calendar Quarter; *provided*, *however*, that in no event will the royalties that would otherwise be payable to Kymera with respect to Net Sales of Licensed Products, after any applicable reduction to such Net Sales under this Section 11.3.5, be reduced by more than [***] in any given Calendar Quarter.

11.3.6 **Aggregate Limitation on Deductions**. Notwithstanding Sections 11.3.3, 11.3.4(a), and 11.3.5, in no event will the combined effect of all reductions to the royalties payable to Kymera under Sections 11.3.3, 11.3.4(a) and 11.3.5 reduce the royalty amounts payable by Sanofi to Kymera under this Section 11.3 for any Licensed Product in any country during a Calendar Quarter to less than [***] of the amount that would otherwise be due under Section 11.3.1, but for such deductions *provided*, that Sanofi will be entitled to [***]; *provided* that notwithstanding the foregoing, on a Collaboration Target-by-Collaboration Target basis, [***].

11.3.7 **Opt-In Right**. Notwithstanding anything to the contrary in this Section 11.3, on a Collaboration Target-by-Collaboration Target basis, if Kymera has exercised the Kymera Opt-In Right with respect to a given Collaboration Target, then, during the applicable Opt-In Period, (a) the Parties will share costs and profits in the United States with respect to Licensed Products Directed Against such Collaboration Target in accordance with the applicable Cost/Profit Sharing Agreement and (b) the terms of Sections 11.3.1 through 11.3.6 and 11.3.8 will apply to sales of Licensed Products Directed Against such Collaboration Target in the Rest of World. For clarity, in the event Kymera exercises the Kymera Opt-In Right with respect to a given Collaboration Target and later exercises the Kymera Opt-Out Right with respect to such Collaboration Target, then the terms of Sections 11.3.1 through 11.3.6 and 11.3.8 will apply to sales of Licensed Products Directed Against

such Collaboration Target throughout the Territory. Further, any relevant Blocking Third Party Intellectual Property Costs paid by Sanofi will be subject to the relevant Cost/Profit Sharing Agreement.

11.3.8 **Royalty Reports**. Following the First Commercial Sale of a Licensed Product and continuing for the remainder of the Royalty Term for such Licensed Product, within [***] after the end of each Calendar Quarter, Sanofi will deliver a report to Kymera specifying on a Licensed Product-by-Licensed Product basis: (a) Net Sales in the relevant Calendar Quarter, (b) to the extent such Net Sales include sales not denoted in U.S. Dollars, a summary of the then-current exchange rate methodology then in use by Sanofi and used to convert Net Sales to U.S. Dollars, and (c) royalties payable on such Net Sales. All royalty payments due under this Section 11.3 for each Calendar Quarter will be due and payable within [***] after the end of each Calendar Quarter.

11.4 **Invoicing for Additional Amounts**. With respect to any amounts owed under this Agreement by one Party to the other Party for which no other invoicing and payment procedure is specified elsewhere in this Agreement, within [***] after the end of each Calendar Quarter, the applicable Party will provide an invoice, together with reasonable supporting documentation, to the other Party for such amounts owed. The owing Party will pay any undisputed amounts within [***] of receipt of the invoice, and any disputed amounts owed by the owing Party will be paid within [***] of resolution of the Dispute.

11.5 **In-License Agreements**.

11.5.1 **Potential In-Licenses**.

(a) On a Collaboration Target-by-Collaboration Target basis, a Party may notify the JSC that the Research, Development, Manufacture or Commercialization of Collaboration Compounds, Collaboration Candidates or Licensed Products Directed Against a given Collaboration Target may require or benefit from a grant of rights under additional Patents or Know-How of Third Parties, whether by license or acquisition (each, a "**Potential In-License**").

(b) If the Third Party Know-How or Patents that are the subject of the Potential In-License would constitute [***], then [***], in which case such Potential In-License will be deemed to be a "**Collaboration In-License**" upon the execution of such agreement, or (ii) follow the procedures set forth in Section 11.5.2.

(c) Except as set forth in Section 11.5.1(b)(i), if the Third Party Know-How or Patents that are subject to the Potential In-License either (x) [***] or (y) [***], the Parties will, through the JSC (in coordination with the JPC), review, discuss, and determine whether to negotiate the terms of such Potential In-License for use by the Parties pursuant to this Agreement with respect to the Research, Development, Manufacture or Commercialization of Collaboration Compounds, Collaboration Candidates or Licensed Products Directed Against such Collaboration Target to which such Potential In-License relates. In connection therewith, except as otherwise expressly agreed by the Parties, the JSC will:

(i) [***];

(ii) [***];

(iii) [***]; and

(iv) [***].

(d) If the Potential In-License relates to Patents or Know-How of Third Parties that are not otherwise covered in clause (b) or (c) above, then either Party will have the right, but not the obligation, to negotiate and enter into the applicable Potential In-License. Promptly after execution of any such Potential In-License, (i) the Parties will enter into a common interest agreement, and (ii) the applicable licensing Party will bring such Potential In-License to the attention of the JSC in accordance with Section 11.5.2.

(e) Notwithstanding anything to the contrary set forth in this Agreement, neither Party in its role as "lead negotiator" will negotiate for or agree to economic terms in any such Potential In-License in a manner [***].

11.5.2 **Collaboration In-License Agreements**. If a Potential In-License is brought to the attention of the JSC pursuant to this Section 11.5, then the Parties will, through the JSC, [***]. The JSC will review and discuss the rationale of including such Potential In-License for use by the Parties with respect to the applicable Collaboration Compounds, Collaboration Candidates or Licensed Products Directed Against a given Licensed Target pursuant to this Agreement and the proposed (or agreed) economics associated with doing so (including related royalty or milestone obligations), and determine whether to approve such Potential In-License as a Collaboration In-License Agreement for the applicable Collaboration Target. For any Potential In-License that the JSC approves for use by the Parties pursuant to this Agreement, (a) such Potential In-License will be deemed to be a "**Collaboration In-License Agreement**" hereunder on the date such agreement is executed by the applicable Party and Third Party, and (b) as of such execution date, the Patents and Know-How in-licensed under such Collaboration In-License Agreement will be deemed "Controlled" under this Agreement as Licensed Technology or Sanofi Technology for purposes of the Research, Development, Manufacture and Commercialization of Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against the applicable Collaboration Target.

11.5.3 **Costs for Collaboration In-Licenses**. Any upfront payments, milestone payments, similar payments or royalties incurred under a Collaboration In-License that are specific to the Collaboration Compounds, Collaboration Candidates or Licensed Products Directed Against the applicable Collaboration Target will be allocated between the Parties as follows:

[***]

11.5.4 **Non-Approved Potential In-Licenses**. If the JSC does not approve a Potential In-License as a Collaboration In-License Agreement pursuant to Section 11.5.1(c)(iv), then (a) such Potential In-License will not be a Collaboration In-License Agreement hereunder, and (b) the Patents and Know-How which would have been in-licensed under such Potential In-License will not be included as Licensed Technology or Sanofi

Technology and will not be "Controlled" by the Party to the Potential In-License for purposes of this Agreement. For clarity, if the JSC does not approve a Potential In-License, then (a) each Party will be entitled to, at its discretion, independently in-license such Third Party Know-How or Patents *provided* that such independently-obtained license would not block the other Party from seeking its own direct license to such Intellectual Property for use in connection with the Research, Development, Manufacture or Commercialization of Collaboration Compounds, Collaboration Candidates or Licensed Products, and (b) the other Party will have no obligation to reimburse the other Party for any costs or expenses incurred or payments due with respect to any licenses between such Party and such Third Party.

11.5.5 **Third Party Agreement**. Notwithstanding the foregoing, the Parties acknowledge and agree that (a) the Third Party Agreement has been terminated in accordance with its terms prior to the Restatement Execution Date; (b) no (sub)license or other right with respect to any Know-How or Patents owned by Kymera (whether solely or jointly with the Counterparty) pursuant to the Third Party Agreement is granted to Sanofi pursuant to this Agreement; and (c) any Know-How or Patents co-owned by Kymera and the Counterparty under the Third Party Agreement will not be Controlled by Kymera or its Affiliates for purposes of this Agreement except as provided in this Section 11.5.5. In the event that the Parties wish to use or incorporate any of the Know-How or Patents co-owned by Kymera and the Counterparty into or under this Agreement, then the Parties may amend this Agreement to incorporate such rights, licenses and other obligations as the Parties may mutually agree in writing.

11.5.6 **Compliance with Collaboration In-License Agreements**. All licenses and other rights granted under this Agreement will be subject to the rights and obligations under the applicable Collaboration In-License Agreements. Each Party will comply with all applicable provisions of the Collaboration In-License Agreements, and will perform and take such actions as may be required to allow the other Party to comply with its obligations thereunder, including obligations relating to sublicensing, patent matters, confidentiality, reporting, audit rights, indemnification and diligence. Without limiting the foregoing, each Party will prepare and deliver to the other Party any additional reports required under the applicable Collaboration In-License Agreements and reasonably requested by the other Party, in each case, sufficiently in advance to enable the other Party to comply with its obligations under the applicable Collaboration In-License Agreements. For clarity, as of the Restatement Execution Date, there are no Collaboration In-License Agreements, and the Third Party Agreement will not be deemed a Collaboration In-License Agreement.

11.6 **Research and Development Funding Reimbursement**.

11.6.1 **Research Costs** [***]. Sanofi will reimburse Kymera for [***] actually incurred by Kymera or its Affiliates for the Research activities conducted under Section 2.4.2 with respect [***]. Any payments to be made to Kymera by Sanofi pursuant to this Section 11.6.1 will be made [***] pursuant to invoices submitted by Kymera to Sanofi within [***]; *provided* that Kymera will provide a good faith estimate of any costs for which reimbursement is due under this Section 11.6.1 within [***]. Each such invoice will be accompanied by reasonable supporting documentation evidencing the expenses incurred for

such Research activities (such expenses to be itemized) [***]. Undisputed payments will be due within [***] after Sanofi receives such an invoice from Kymera.

11.6.2 **Research Costs** [***]. Sanofi will reimburse Kymera for its [***] actually incurred by Kymera or its Affiliates for the Research activities conducted under Section 2.5.4 in accordance with the Research Plan and Sections 2.5.5 and 2.6.4. Any payments to be made to Kymera by Sanofi pursuant to this Section 11.6.2 will be made [***] pursuant to invoices submitted by Kymera to Sanofi within [***]; *provided* that Kymera will provide a good faith estimate of any costs for which reimbursement is due under this Section 11.6.2 within [***]. Each such invoice will be accompanied by reasonable supporting documentation evidencing the expenses incurred for such Research activities (such expenses to be itemized) [***]. Undisputed payments will be due within [***] after Sanofi receives such an invoice from Kymera.

11.6.3 **Research Costs** [***]. Sanofi will reimburse Kymera for its [***] actually incurred by Kymera or its Affiliates for [***] performed in accordance with the applicable Backup Research Plan, subject to Section 5.5.6. Any payments to be made to Kymera by Sanofi pursuant to this Section 11.6.3 will be made [***] pursuant to invoices submitted by Kymera to Sanofi within [***]; *provided* that Kymera will provide a good faith estimate of any costs for which reimbursement is due under this Section 11.6.3 within [***]. Each such invoice will be accompanied by reasonable supporting documentation evidencing the expenses incurred for the Backup Research (such expenses to be itemized) [***]. Undisputed payments will be due within [***] after Sanofi receives such an invoice from Kymera.

11.6.4 **Early Development Funding Reimbursement**.

(a) **Funding for** [***]. Kymera will pay for [***] incurred by or on behalf of Kymera for the Kymera Existing Phase 1 Clinical Trial [***]. Sanofi will pay for [***] incurred during the period commencing [***].

(b) **Funding for** [***]. Kymera will pay for [***] incurred by or on behalf of Kymera during the period commencing on the Restatement Effective Date and continuing for the remainder of the Research Term for: [***]. Sanofi will reimburse Kymera for [***] incurred by or on behalf of Kymera or its Affiliates with respect to [***].

(c) **Funding** [***]. Sanofi will reimburse Kymera for [***] actually incurred by or on behalf of Kymera or its Affiliates for all Early Development Activities for Licensed Products containing [***] conducted under Section 3.1, including Development, regulatory Manufacturing activities related thereto.

11.6.5 **Payments**. Any payments to be made to one Party by the other Party pursuant to this Section 11.6.5 will be made [***] in arrears pursuant to invoices submitted by Kymera to Sanofi within [***] following the end of the applicable [***]; *provided* that Kymera will provide a good faith estimate of any costs for which reimbursement is due under this Section 11.6.5 within [***] after each [***]. Each such invoice will be accompanied by reasonable supporting documentation evidencing the expenses incurred for

such Research activities (such expenses to be itemized) during such [***]. Undisputed payments will be due within [***] after Sanofi receives such an invoice from Kymera.

11.7 **Payment Terms**.

11.7.1 **Currency; Payment Method**. All payments under this Agreement are expressed in U.S. Dollars and will be paid in U.S. Dollars, by wire transfer or Automated Clearing House (ACH) payment to an account designated by Kymera (which account Kymera may update from time to time in writing).

11.7.2 **Exchange**. If any amounts that are relevant to the determination of amounts to be paid under this Agreement or any calculations to be performed under this Agreement are denoted in a currency other than U.S. Dollars, such amounts will be converted to their U.S. Dollar equivalent using Sanofi's then-current standard procedures and methodology, including its then-current standard exchange rate methodology for the translation of foreign currency expenses into U.S. Dollars or, in the case of Sublicensees, such similar methodology, consistently applied. Calculation of Net Sales will exclude hedging and foreign exchange gain or loss realized through a hedging program.

11.7.3 **Invoices**. Except as otherwise set forth in this Agreement, Kymera will deliver an invoice to Sanofi for all payments owed by Sanofi to Kymera in accordance with Sanofi's reasonable instructions. Sanofi will pay all undisputed payments owed to Kymera within [***] after receipt of the invoice for such owed amount, except where a different timeframe is expressly *provided* in another Section of this Agreement, and any disputed amounts owed by Sanofi will be paid within [***] of resolution of the Dispute.

11.8 **Withholding Tax**. Where any sum due to be paid to Kymera hereunder is subject to any withholding or similar tax, Sanofi will pay such withholding or similar tax to the appropriate Governmental Authority and deduct the amount paid from the amount then due to Kymera. Sanofi will timely transmit to Kymera an official tax certificate or other evidence of such withholding sufficient to enable Kymera to claim such payment of taxes. The Parties will cooperate with one another and use reasonable efforts to reduce or eliminate tax withholding or similar obligations in respect of royalties, Milestone Payments, and other payments made by Sanofi to Kymera under this Agreement. Kymera will provide Sanofi any tax forms that may be reasonably necessary in order for Sanofi not to withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. Each Party will provide the other with reasonable assistance to enable the recovery, as permitted by Applicable Laws, of withholding taxes, value added taxes, or similar obligations resulting from payments made under this Agreement, such recovery to be for the benefit of the Party bearing such withholding tax or value added tax. Notwithstanding this Section 11.8, if, as a result of a Withholding Action by Sanofi (including any assignee or successor), withholding is required by Applicable Law and the amount of such withholding exceeds the amount of withholding that would have been required if Sanofi had not committed the Withholding Action, then Sanofi shall pay an additional amount to Kymera such that, after withholding from the payment contemplated by this Agreement and such additional amount, Kymera receives the same amount as it would have received from Sanofi absent such Withholding Action by Sanofi. For the avoidance of doubt, if as a result of a Withholding Action by Kymera (including any assignee or successor) the amount of withholding under the law of the

applicable jurisdiction exceeds the amount of such withholding that would have been required in the absence of such Withholding Action by Kymera, Sanofi shall be required to pay any additional amount only to the extent that Sanofi would be required to pay any additional amount to Kymera pursuant to the preceding sentence if Kymera had not committed such Withholding Action. For purposes of this Section 11.8, "**Withholding Action**" by a Party means (i) a permitted assignment or sublicense of this Agreement (in whole or in part) by such Party to an Affiliate or a Third Party outside of the United States; (ii) the exercise by such Party of its rights under this Agreement (in whole or in part) through an Affiliate or Third Party outside of the United States (or the direct exercise of such rights by an Affiliate of such Party outside of the United States); (iii) a redomiciliation of such Party, an assignee or a successor to a jurisdiction outside the United States; and (iv) any action by such Party that causes this Agreement or any payment contemplated by this Agreement to become subject to Tax in a jurisdiction outside of the United States or subject any payment contemplated by this Agreement to withholding in any jurisdiction that would not have been required absent such Withholding Action.

11.9 **Records; Audits**. Sanofi will keep and maintain accurate and complete records regarding Net Sales during the [***]. Kymera will keep accurate and complete records regarding all [***] incurred in connection with the (i) Research activities relating to [***], in each case, in sufficient detail to confirm the accuracy of any payments required under this Agreement, covering the [***]. Upon [***] prior written notice from the other Party (the "**Auditing Party**"), the Party required to maintain such records (as applicable, the "**Audited Party**") will permit an independent certified public accounting firm of internationally recognized standing, selected by the Auditing Party and reasonably acceptable to the Audited Party, to examine the relevant books and records of the Audited Party and its Affiliates, as may be reasonably necessary to verify the royalty reports submitted by Sanofi in accordance with Section 11.3.8 or [***] reported by Kymera in accordance with Section 11.6, as applicable. An examination by the Auditing Party under this Section 11.9 will occur not more than once in any Calendar Year and will be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the request. No records will be audited more than once. The accounting firm will be *provided* access to such books and records at the Audited Party's facility or facilities where such books and records are normally kept and such examination will be conducted during the Audited Party's normal business hours. The Audited Party may require the accounting firm to sign a customary non-disclosure agreement before providing the accounting firm access to its facilities or records. Upon completion of the audit, the accounting firm will provide both Parties a written report disclosing whether the reports submitted by Sanofi or [***] submitted by Kymera, as applicable, are correct or incorrect and the specific details concerning any discrepancies. No other information will be *provided* to the Auditing Party. If the report or information submitted by the Audited Party results in an underpayment or overpayment, (a) the Party owing the underpaid or overpaid amount will promptly pay the amount of such underpayment to the other Party, and (b) any such overpayment will be creditable against future payments to the other Party hereunder. The costs and fees of any audit conducted by the Auditing Party under this Section 11.9 will be borne by the Auditing Party, unless such audit reveals an underpayment of amounts owed to the Auditing Party of more than [***] of the amount that was owed by the Audited Party with respect to the relevant period, in which case, the Audited Party will reimburse the Auditing Party for the reasonable expense incurred by the Auditing Party in connection with the audit.

11.10 **Late Payment**. Any undisputed payment under this Agreement that is not paid on or before the date such undisputed payment is due will bear interest, to the extent permitted by Applicable Law, at [***] above [***], as reported by Reuters from time to time, calculated on the number of days such undisputed payment is overdue, compounded annually and computed on the basis of a three hundred sixty-five (365) day year.

ARTICLE 12
INTELLECTUAL PROPERTY

12.1 **Ownership; Assignment**.

12.1.1 **Kymera Background Technology and Sanofi Background Technology**. As between the Parties, Kymera will own and retain all of its rights, title and interest in and to the Kymera Background Technology and Sanofi will own and retain all of its rights, title and interest in and to any Sanofi Background Technology, subject to any rights or licenses expressly granted by one Party to the other Party under this Agreement.

12.1.2 **Foreground Technology**.

(a) For purposes of determining inventorship under this Section 12.1, inventorship will be determined in accordance with United States patent laws (regardless of where the applicable activities occurred).

(b) As between the Parties, Kymera will be the sole owner of any Foreground Know-How that [***], and will own and retain all rights, title and interest thereto, subject to any rights or licenses expressly granted by Kymera to Sanofi under this Agreement. For clarity, [***]. Any dispute of whether any [***] will be governed by Sections 9.9.2(b)(iii) and 9.9.2(b)(iv).

(c) Except as expressly set forth in Section 12.1.2(b), as between the Parties, each Party will be the sole owner of any Foreground Know-How discovered, developed, invented or created solely by such Party, its Affiliates, or Third Parties acting on its or their behalf, and all Patents that Cover any of the foregoing. The Parties will jointly own, on an equal and undivided basis any Foreground Know-How discovered, developed, invented or created jointly by both (i) Sanofi, its Affiliates, or Third Parties acting on behalf of Sanofi or its Affiliates and (ii) Kymera, its Affiliates, or Third Parties acting on behalf of Kymera or its Affiliates, and all Patents, including [***], that claim or encompass any of the foregoing [***]. [***].

(d) Subject to Sections 9.9.2(b)(iii) and 9.9.2(b)(iv) for any dispute of whether any Foreground Technology is Platform Foreground Technology, [***].

(e) Promptly following receipt by Kymera or any of its Affiliates of an invention disclosure with respect to any invention discovered, developed, invented or created, solely or jointly, by Kymera, its Affiliates, or Third Parties acting on its or their behalf that constitutes Foreground Technology, Kymera will promptly disclose to Sanofi in writing, and will cause its Affiliates to so disclose, the discovery, development, invention or creation of such Foreground Technology. Promptly following receipt by Sanofi or any of its Affiliates of an invention disclosure with respect to any invention that is discovered, developed, invented or

created, solely or jointly, by Sanofi, its Affiliates, or Third Parties acting on its or their behalf that constitutes Foreground Technology, Sanofi will promptly disclose to Kymera in writing, and will cause its Affiliates to so disclose, the discovery, development, invention or creation of such Foreground Technology.

12.2 **Prosecution and Maintenance of Patents**.

12.2.1 [***].

(a) Except as expressly set forth in this Agreement, Kymera will control, be responsible for and have the sole right for (but not the obligation), at its own expense, all aspects of the Prosecution and Maintenance of [***]. Kymera's interest in [***] is addressed in Section 12.2.4. Kymera's interest in all other [***] is addressed in Sections 12.2.5, 12.2.6(c) and 12.2.7. Each Party's rights in respect of [***] are addressed in Section 15.3.1(d). For clarity, Kymera will control, be responsible for and have the sole right for (but not the obligation), at its own expense, all aspects of the Prosecution and Maintenance of all Patents that [***] and Sanofi will have no right to review and comment on the Prosecution and Maintenance of such Patents that [***]. [***].

(b) Subject to Sections 12.2.4 and 12.2.5, Kymera will have the exclusive right, but not the obligation, to Prosecute and Maintain all Patents that [***]. Without the prior consent of Sanofi, Kymera will not [***]. Kymera will not [***]. If [***], Kymera will not [***].

(c) Subject to Sections 12.2.4 and 12.2.5, Kymera will have the exclusive right, but not the obligation, to Prosecute and Maintain all Patents that [***]. Without the prior consent of Sanofi, Kymera will not [***]. Kymera will not [***]. If [***], Kymera will not [***].

(d) Subject to Sections 12.2.4 and 12.2.5, Kymera will have the exclusive right, but not the obligation, to Prosecute and Maintain all Patents that [***]. Without the prior consent of Sanofi, Kymera will not [***]. If [***], Kymera will not [***].

(e) Subject to Sections 12.2.4 and 12.2.5, Kymera will have the exclusive right, but not the obligation, to Prosecute and Maintain all Patents that [***], and will not [***]. If [***], Kymera will not [***].

12.2.2 [***].

(a) **Prior to Sanofi Participation Election Effective Date**.

(i) [***]. Prior to the Sanofi Participation Election Effective Date (if any) for Collaboration Target 1, [***] will use Commercially Reasonable Efforts to Prosecute and Maintain, at its own expense [***]. Without the prior consent of [***] will not [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***], and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(ii) [***]. Prior to the Sanofi Participation Election Effective Date (if any) for Collaboration Target 1, [***] will have the first right (but not the obligation) to

Prosecute and Maintain the [***], subject to the [***] backup rights described in Section 12.2.9(c). [***] will have the right to review and comment on the Prosecution and Maintenance of the [***], and [***]. Without the prior consent of [***], [***] will [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(iii) [***]. Prior to the Sanofi Participation Election Effective Date (if any) for Collaboration Target 1, [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***], subject to the [***] backup rights described in Section 12.2.9(c). [***] will have the right to review and comment on the Prosecution and Maintenance of the [***]. If the Parties cannot agree on a particular action with respect to the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(iv) [***]. Prior to the Sanofi Participation Election Effective Date (if any) for Collaboration Target 1, [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***], subject to the [***] backup rights described in Section 12.2.9(c). [***] will have the right to review and comment on the Prosecution and Maintenance of the [***], and [***]. Without the prior consent of [***], [***] will not [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(v) [***]. Prior to the Sanofi Participation Election Effective Date (if any) for Collaboration Target 1, Kymera will have the first right (but not the obligation) to Prosecute and Maintain the [***], subject to the [***] backup rights described in Section 12.2.9(c). [***] will have the right to review and comment on the Prosecution and Maintenance of the [***], and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(b) **Following Sanofi Participation Election Effective Date**.

(i) [***]. During the Sanofi Participation Term (if any) for Collaboration Target 1, [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***].

(ii) [***]. During the Sanofi Participation Term (if any) for Collaboration Target 1, [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***], and [***]. Without the prior consent of [***], [***] will not [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(iii) [***]. During the Sanofi Participation Term (if any) for the Collaboration Target 1, [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***].

(iv) [***]. During the Sanofi Participation Term (if any) for Collaboration Target 1, [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***], and [***]. Without the prior consent of [***], [***] will not [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(v) [***]. During the Sanofi Participation Term (if any) for Collaboration Target 1, [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***] and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures.

12.2.3 **Certain Kymera Background Patents relevant to** [***]. In the event that any [***].

12.2.4 [***]. Prior to the Sanofi Participation Election Right Exercise (if any) for [***] and prior to the filing of any new Patent application that Covers [***], the JPC will meet and in good faith discuss [***]. The Parties, through the JPC, will use good faith efforts to agree on such strategy, with the goal of maximizing the value of the Parties' respective patent portfolios. For clarity, [***].

(a) **Prior to Sanofi Participation Election Effective Date**. Prior to the Sanofi Participation Election Effective Date (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***], subject to the [***] backup rights described in Section 12.2.9(c); *provided* that (i) [***] will not [***], and (ii) [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***], and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of the [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(b) **Following Sanofi Participation Election Effective Date**. During the Sanofi Participation Term (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of the [***].

12.2.5 [***]. Subject to Section 12.2.4, the Parties will divide responsibility for the Prosecution and Maintenance of [***], other than [***], as follows:

(a) **Prior to Sanofi Participation Election Effective Date**. Prior to the Sanofi Participation Election Effective Date (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***], subject to the [***] backup rights described in Section 12.2.9(c). [***] will have the right to review and comment on the Prosecution and Maintenance of such [***], and [***]. In any [***], without the prior consent of [***], [***] will not [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of such [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(b) **Following Sanofi Participation Election Effective Date**. During the Sanofi Participation Term (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain the [***], other than [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of such [***] and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of such [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures.

12.2.6 [***].

(a) [***].

(i) **Prior to Sanofi Participation Election Effective Date**. Prior to the Sanofi Participation Election Effective Date (if any) for [***] will use Commercially Reasonable Efforts to Prosecute and Maintain, at its own expense, [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of [***], and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of any [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(ii) **Following Sanofi Participation Election Effective Date**. During the Sanofi Participation Term (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain all [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of such [***].

(b) [***].

(i) **Prior to Sanofi Participation Election Effective Date**. Prior to the Sanofi Participation Election Effective Date (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain all [***], subject to the [***] backup rights described in Section 12.2.9(c). [***] will have the right to review and comment on the Prosecution and Maintenance of such [***], and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of such [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(ii) **Following Sanofi Participation Election Effective Date**. During the Sanofi Participation Term (if any) [***], [***] will have the first right (but not the

obligation) to Prosecute and Maintain [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of such [***].

(c) [***].

(i) **Prior to Sanofi Participation Election Effective Date**. Prior to the Sanofi Participation Election Effective Date (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain all [***], subject to the [***] backup rights described in Section 12.2.9(c). [***] will have the right to review and comment on the Prosecution and Maintenance of such [***], and [***]. If the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of such [***], then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***].

(ii) **Following Sanofi Participation Election Effective Date**. During the Sanofi Participation Term (if any) for [***], [***] will have the first right (but not the obligation) to Prosecute and Maintain all [***]. [***] will have the right to review and comment on the Prosecution and Maintenance of such [***].

12.2.7 [***]. Subject to Sections 12.2.4, 12.2.5, and 12.2.6(c), the Parties will divide responsibility for the Prosecution and Maintenance of [***], other than [***].

12.2.8 **Sanofi Patents**. Sanofi will control, be responsible for, and have the sole right (but not the obligation) for, at its own expense, all aspects of the Prosecution and Maintenance of all Sanofi Background Patents and Sanofi Foreground Patents.

12.2.9 **Other Matters Pertaining to Prosecution and Maintenance of Patents**.

(a) During the Term, each Party will keep the other Party informed (through the JPC, or directly if the JPC is disbanded) as to material developments with respect to the Prosecution and Maintenance of the [***] for which such Party has responsibility for Prosecution and Maintenance pursuant to this Section 12.2, including by providing (i) copies of any office actions or office action responses or other correspondence that such Party provides to or receives from any patent office, including notice of all interferences, reissues, re-examinations, or oppositions, and all patent-related filings; and (ii) drafts of any material filings or responses to be made to any patent office sufficiently in advance of submitting such filings or responses so as to provide the other Party the timely opportunity to have reasonable input into the strategic aspects of such Prosecution and Maintenance.

(b) If, during the Term, Sanofi intends to abandon patent applications for any [***], then Sanofi will so notify Kymera of such intention at least [***] before such Patent will become abandoned, and Kymera will have the right, but not the obligation, to assume responsibility for the Prosecution and Maintenance thereof at its own expense with counsel of its own choice, *provided*, *however*, [***]; and (iii) if the Parties cannot agree on the reasonableness of any other strategic purpose, then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures.

(c) If, during the Term, Kymera intends to abandon any [***] that Kymera is responsible for Prosecuting and Maintaining in a particular country, then Kymera will notify Sanofi of such intention at least [***] before such Patent will become abandoned, and Sanofi will have the right, but not the obligation, to assume responsibility for the Prosecution and Maintenance thereof at its own expense with counsel of its own choice.

12.3 **Defense of Claims Brought by Third Parties**. If any Third Party brings a claim or otherwise asserts that a Licensed Product or Collaboration Compound infringes such Third Party's Patent or misappropriates such Third Party's Know-How (each, a "**Third-Party Infringement Claim**"), the Party first having notice of the claim or assertion will promptly notify the other Party in writing. Prior to the Sanofi Participation Election Effective Date (if any) with respect to the applicable Collaboration Target, [***] will have the sole right to undertake and control the defense or settlement of any Third-Party Infringement Claim using counsel of its choice, at its cost and expense and, following the Sanofi Participation Election Effective Date (if any) with respect to the applicable Collaboration Target, [***] will have the sole right to undertake and control the defense or settlement of any Third-Party Infringement Claim using counsel of its choice, at its cost and expense (such Party having the right to control such defense, the "**Defending Party**"). If the Party not having the right to control such defense in accordance with the preceding sentence (the "**Non-Defending Party**") is named as a defendant in such suit, the Non-Defending Party will have the right to participate in such defense and settlement with its own counsel, at its cost. The Defending Party will not enter into any settlement of any Third-Party Infringement Claim that is instituted or threatened to be instituted against the Non-Defending Party without the Non-Defending Party's prior written consent, which will not be unreasonably withheld, conditioned or delayed; *except that*, such consent will not be required if such settlement includes a release of all liability in favor of the Non-Defending Party or an assumption of any unreleased liability by the Defending Party. As requested by the Defending Party, the Non-Defending Party will provide reasonable cooperation and assistance to the Defending Party in connection with the Defending Party's control of the defense or settlement of a Third-Party Infringement Claim. Such cooperation and assistance will include executing all necessary and proper documents and taking such actions as will be appropriate to allow the Defending Party to control the defense and settlement of such Third-Party Infringement Claim. The Defending Party will reimburse the Non-Defending Party for the reasonable Out-of-Pocket Costs incurred by the Non-Defending Party in providing such assistance and cooperation; *except that* the Defending Party will have no obligation to reimburse the Non-Defending Party for any costs or expenses incurred if the Non-Defending Party exercises its right to participate in the defense and settlement of a Third-Party Infringement Claim with its own counsel. The Defending Party will keep the Non-Defending Party reasonably informed of the progress of any Third-Party Infringement Claim.

12.4 **Enforcement of Patents Against Competitive Infringement**.

12.4.1 **Duty to Notify of Competitive Infringement**. During the Term, if either Party learns of an infringement, unauthorized use, misappropriation or threatened infringement by a Third Party with respect to [***] (a "**Competitive Infringement**"), such Party will promptly notify the other Party in writing and will provide such other Party with available information regarding such Competitive Infringement.

12.4.2 [***]. As between the Parties, Kymera will have the sole right, but not the obligation, to institute, prosecute and control any action or proceeding with respect to any infringement of any [***], by counsel of its own choice, in Kymera's own name and under Kymera's direction and control. For clarity, the enforcement of [***] are addressed in Sections 12.4.5 and 12.5.1.

12.4.3 [***]. For clarity, the provisions of this Section 12.4.3 are applicable to [***].

(a) **Prior to Sanofi Participation Election Effective Date**. As between the Parties, for any Competitive Infringement with respect to [***], [***] will have the first right, but not the obligation to institute, prosecute, and control a Proceeding to enforce any [***] against such Competitive Infringement by counsel of its own choice. [***] will have the right to engage counsel of its own choice in connection with such Proceeding at its own expense. [***] will provide [***] with prompt written notice of the commencement of any such Proceeding, and [***] will keep [***] apprised of the progress of such Proceeding and will reasonably consult with [***] with respect to such Proceeding. If [***] fails to initiate such Proceeding within a period of [***] after written notice of such Competitive Infringement is first provided by a Party under Section 12.4.1, [***] will have the right to initiate and control a Proceeding to enforce the [***] against such Competitive Infringement by counsel of its own choice, and [***] will have the right to be represented in any such action by counsel of its own choice at its own expense; *provided that* [***].

(b) **Following Sanofi Participation Election Effective Date**. As between the Parties, for any Competitive Infringement with respect to [***], [***] will have the first right, but not the obligation, to institute, prosecute, and control a Proceeding to enforce the [***] against such Competitive Infringement by counsel of its own choice at its own expense, and [***] will have the right, at its own expense, to be represented in that action by counsel of its own choice. If [***] fails to initiate such Proceeding within a period of [***] after written notice of such Competitive Infringement is first provided by a Party under Section 12.4.1, [***] will have the right to initiate and control a Proceeding to enforce the [***] against such Competitive Infringement by counsel of its own choice, and [***] will have the right to be represented in any such action by counsel of its own choice at its own expense; *provided that* [***].

12.4.4 [***]. For clarity, the provisions of this Section 12.4.4 are applicable to [***].

(a) **Prior to Sanofi Participation Election Effective Date**. As between the Parties, for any Competitive Infringement with respect to [***], [***] will have the first right, but not the obligation to institute, prosecute, and control a Proceeding to enforce any [***] against such Competitive Infringement by counsel of its own choice. [***] will have the right to engage counsel of its own choice in connection with such Proceeding at its own expense. [***] will provide [***] with prompt written notice of the commencement of any such Proceeding, and [***] will keep [***] apprised of the progress of such Proceeding and will reasonably consult with [***] with respect to such Proceeding. If [***] fails to initiate such Proceeding within a period of [***] after written notice of such Competitive Infringement is first provided by a Party under Section 12.4.1, [***] will have the right to initiate and control a Proceeding to enforce the [***] against

such Competitive Infringement by counsel of its own choice, and [***] will have the right to be represented in any such action by counsel of its own choice at its own expense; *provided that* [***].

(b) **Following Sanofi Participation Election Effective Date**. As between the Parties, for any Competitive Infringement with respect to [***], [***] will have the first right, but not the obligation, to institute, prosecute, and control a Proceeding to enforce the [***] against such Competitive Infringement by counsel of its own choice at its own expense, and [***] will have the right, at its own expense, to be represented in that action by counsel of its own choice. If [***] fails to initiate such Proceeding within a period of [***] after written notice of such Competitive Infringement is first provided by a Party under Section 12.4.1, [***] will have the right to initiate and control a Proceeding to enforce the [***] against such Competitive Infringement by counsel of its own choice, and [***] will have the right to be represented in any such action by counsel of its own choice at its own expense; *provided that* [***].

12.4.5 [***]. For clarity, the provisions of this Section 12.4.5 are applicable to [***]. As between the Parties, for any Competitive Infringement with respect to a [***], [***] will have the first right, but not the obligation, to institute, prosecute, and control a Proceeding to enforce any [***] against such Competitive Infringement by counsel of its own choice at its own expense, and [***] will have the right, at its own expense, to be represented in that action by counsel of its own choice. If [***] fails to initiate such Proceeding within a period of [***] after written notice of such Competitive Infringement is first provided by a Party under Section 12.4.1, [***] will have the right to initiate and control a Proceeding to enforce the [***] against such Competitive Infringement by counsel of its own choice, and [***] will have the right to be represented in any such action by counsel of its own choice at its own expense; *provided that* [***].

12.4.6 **Joinder**.

(a) If a Party initiates a Proceeding in accordance with this Section 12.4, the other Party agrees to be joined as a party plaintiff where necessary and to give the first Party reasonable assistance and authority to file and prosecute the Proceeding. Subject to Sections 12.4.7 and 12.4.8, the costs and expenses of each Party incurred pursuant to this Section 12.4.6(a) will be borne by the Party initiating such Proceeding.

(b) If one Party initiates a Proceeding in accordance with this Section 12.4, the other Party may join such Proceeding as a party plaintiff where necessary for such other Party to seek lost profits with respect to such infringement.

12.4.7 **Share of Recoveries Prior to Sanofi Participation Election Effective Date**. Any damages or other monetary awards recovered, prior to Sanofi's exercise of the applicable Sanofi Participation Election Right, with respect to a Proceeding brought pursuant to this Section 12.4 will be shared as follows:

(a) [***]; then

(b) [***].

12.4.8 **Share of Recoveries Following Sanofi Participation Election Effective Date**. Any damages or other monetary awards recovered, following Sanofi's exercise of the applicable Sanofi Participation Election Right, with respect to a Proceeding brought pursuant to this Section 12.4 will be shared as follows:

(a) [***]; then

(b) [***]; and

(c) [***].

12.4.9 **Settlement**. Notwithstanding anything to the contrary under this Article 12, neither Party may enter a settlement, consent judgment or other voluntary final disposition of a suit under this Article 12 that disclaims, limits the scope of, admits the invalidity or unenforceability of, or grants a license, covenant not to sue or similar immunity under, or take any other action in a manner that materially diminishes the rights or interest of a Patent Controlled by the other Party or its Affiliates (including take any action that would reasonably be expected to materially adversely affect the scope, term, validity or enforceability of any claim of [***]) without first obtaining the written consent of the Party that owns or controls the relevant Patent, such consent not to be unreasonably withheld, delayed or conditioned; *provided that* the foregoing restriction will not apply with respect to any Sublicense granted by Sanofi.

12.5 **Other Infringement**.

12.5.1 [***]. With respect to the infringement of a [***] that is not a Competitive Infringement, [***]. Any damages or other monetary awards recovered with respect to a Proceeding brought pursuant to this Section 12.5.1 will be shared as follows: [***].

12.5.2 [***]. Kymera will retain all rights to pursue an infringement of any [***] that is not a Competitive Infringement and Kymera will [***]; *provided* that, [***].

12.5.3 [***]. Sanofi will retain all rights to pursue an infringement of [***] and Sanofi will [***].

12.6 **Patent Listing**. Following the Sanofi Participation Election Effective Date (if any) for a Collaboration Target, Sanofi will have the sole right, but not the obligation, to submit to all applicable Regulatory Authorities patent information pertaining to each applicable Licensed Product pursuant to 21 U.S.C. § 355(b)(1)(G), any similar statutory or regulatory requirement enacted in the future, or any similar statutory or regulatory requirement in any non-U.S. country or other regulatory jurisdiction.

12.7 **Common Interest**. All information exchanged between the Parties' representatives regarding the Prosecution and Maintenance, or enforcement of Patents under this Article 12 will be deemed Confidential Information. In addition, the Parties acknowledge and agree that, with regard to such Prosecution and Maintenance, and enforcement of the Patents under this Article 12, the interests of the Parties as collaborators and licensor and licensee are to

obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The Parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Patents under this Article 12, including privilege under the common interest doctrine and similar or related doctrines.

12.8 **Joint Research Agreements**. The Parties intend that this Agreement is and will be understood to be a "joint research agreement" (as that term is defined in 35 U.S.C. § 100(h) and used in 35 U.S.C. § 102(c)), entered into for the purposes of researching, identifying and Developing Collaboration Compounds, Collaboration Candidates and Licensed Products. The Parties will coordinate their activities with respect to any submissions, filings or other activities in support thereof.

12.9 **Patent Term Extension**. On a Collaboration Target-by-Collaboration Target basis, following the Sanofi Participation Election Effective Date (if any) with respect to such Collaboration Target and solely with respect to [***], as between the Parties, Sanofi will be solely responsible for obtaining patent term restoration in any country in the Territory under any statute or regulation equivalent or similar to 35 U.S.C. § 156, where applicable to a Licensed Product Directed Against the applicable Collaboration Target. In exercising the foregoing responsibility with respect to a Collaboration Target following the Sanofi Participation Election Effective Date (if any) with respect to such Collaboration Target, Sanofi will determine which relevant [***] will be extended (including, by filing supplementary protection certificates and any other extensions that are now or in the future become available). Kymera will abide by Sanofi's determination and cooperate, as reasonably requested by Sanofi, in connection with the foregoing (including by providing appropriate information and executing appropriate documents), at Sanofi's cost.

12.10 **Recording**. If Sanofi deems it necessary or desirable to register or record this Agreement or evidence of this Agreement with any patent office or other appropriate Governmental Authority in one or more jurisdictions in the Territory, Kymera will reasonably cooperate to execute and deliver to Sanofi any documents accurately reflecting or evidencing this Agreement that are necessary or desirable, in Sanofi's reasonable judgment, to complete such registration or recordation. Sanofi will reimburse Kymera for all reasonable Out-of-Pocket Costs, including attorneys' fees, incurred by Kymera in complying with the provisions of this Section 12.10.

12.11 **Unitary Patent System**. Sanofi will have the exclusive right to opt-in or opt-out of the EU Unitary Patent System for [***]. For clarity, "to opt-in or opt-out" refers to both the right to have or not have a European patent application or an issued European patent registered to have unitary effect within the meaning of Regulation (EU) No 1257/2012 of December 17, 2012 as well as the Agreement on a Unified Patent Court as of February 19, 2013; and to the right to opt-in or opt-out from the exclusive competence of the Unified Patent Court in accordance with Article 83 (3) of that Agreement on a Unified Patent Court. Without limiting the generality of the foregoing, unless a Party or its Affiliate has expressly opted into the EU Unitary Patent System with respect to a given Patent, the other Party will not initiate any action under the EU Unitary Patent System without such Party's prior written approval, such approval to be granted or withheld in such Party's sole discretion.

12.12 **Trademarks**. Following the Sanofi Participation Election Effective Date (if any) with respect to a Collaboration Target, Sanofi will have the sole and exclusive right, but not the obligation, to brand and promote the Licensed Products using trademarks, designs, copyrights, domain names, trade dress and trade names it determines appropriate in its sole discretion for the Licensed Products, which may vary within the Territory (each, a "**Licensed Product Mark**"). Sanofi will own all rights, title and interests in and to the Licensed Product Marks, and all goodwill in the Licensed Product Marks will inure to the benefit of Sanofi. Sanofi will have the sole and exclusive right and responsibility to register, maintain, defend and enforce the Licensed Product Marks to the extent it determines reasonably necessary. Except as otherwise agreed in writing by both Parties, Sanofi does not grant to Kymera, by implication, estoppel or otherwise, any license to any Licensed Product Mark. For the avoidance of doubt, trademarks, designs, trade dress and trade names evaluated for use as Licensed Products but not actually used in the Commercialization of a Licensed Product will not be a Licensed Product Mark and will remain property of Sanofi after termination or expiration of this Agreement. In any event, any trademarks, service marks, names or logos that include any corporate name or logo of the Parties or their Affiliates will not be a Licensed Product Mark and will remain the property of each respective Party.

12.13 **Falsified Medicines**. Without limiting either Party's rights or obligations under this Section 12.13:

12.13.1 Each Party will promptly notify the other Party in writing if it becomes aware of any Third Party's manufacturing, sale, offer for sale, distribution or contribution to the manufacturing, shipment or commercialization of a medical product purporting to be a Licensed Product which deliberately or fraudulently misrepresents its identity, composition or source ("**Falsified Medicine**"); and

12.13.2 Sanofi will have the sole and exclusive right, but not the obligation, to lead any detection program, investigation or collaboration with any Governmental Authority and the sole and exclusive right, but not the obligation, to file or threaten to file a claim or lawsuit to enforce any rights against any Third Party manufacturing, selling, offering for sale or distributing Falsified Medicines or contributing to any of these actions. If requested by Sanofi, Kymera will reasonably cooperate with Sanofi with respect to any suspected Falsified Medicines to provide complementary information related to the applicable Licensed Product when necessary or requested by any Governmental Authority.

ARTICLE 13
REPRESENTATIONS AND WARRANTIES

13.1 **Representations and Warranties of Sanofi**. Sanofi hereby represents and warrants to Kymera, as of the Original Agreement Execution Date and the Restatement Execution Date, that:

(a) Sanofi is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization;

(b) Sanofi (i) has the requisite power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder and (ii) has taken all requisite

action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;

(c) this Agreement has been duly executed and delivered on behalf of Sanofi, and constitutes a legal, valid and binding obligation, enforceable against Sanofi in accordance with the terms hereof, except to the extent that enforcement of the rights and remedies created hereby is subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors, or (ii) laws governing specific performance, injunctive relief and other equitable remedies;

(d) the execution, delivery and performance of this Agreement by Sanofi will not constitute a default under or conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, or violate any Applicable Law of any governmental body or administrative or other agency having jurisdiction over Sanofi;

(e) Sanofi has obtained all necessary consents, approvals and authorizations of all Governmental Authorities and other Persons or entities required to be obtained by it as of the Original Agreement Execution Date in connection with the execution and delivery of this Agreement; and

(f) Sanofi has not employed (and, to the best of its knowledge, has not used a contractor or consultant that has employed) any Person debarred by the FDA (or subject to a similar sanction of EMA or foreign equivalent), or any Person that is the subject of an FDA debarment investigation or proceeding (or similar proceeding of EMA or foreign equivalent), in any capacity in connection with this Agreement.

13.2 **Representations and Warranties of Kymera**. Kymera hereby represents and warrants to Sanofi, as of the Original Agreement Execution Date and the Restatement Execution Date, that:

(a) Kymera is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization;

(b) Kymera (i) has the requisite power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder and (ii) has taken all requisite action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;

(c) this Agreement has been duly executed and delivered on behalf of Kymera, and constitutes a legal, valid and binding obligation, enforceable against Kymera in accordance with the terms hereof, except to the extent that enforcement of the rights and remedies created hereby is subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors, or (ii) laws governing specific performance, injunctive relief and other equitable remedies;

(d) the execution, delivery and performance of this Agreement by Kymera will not constitute a default under or conflict with any agreement, instrument or understanding,

oral or written, to which it is a party or by which it is bound, or violate any Applicable Law of any governmental body or administrative or other agency having jurisdiction over Kymera;

(e) Kymera has obtained all necessary consents, approvals and authorizations of all Governmental Authorities and other Persons or entities required to be obtained by it as of the Original Agreement Execution Date in connection with the execution and delivery of this Agreement;

(f) (i) all Kymera Background Technology is owned solely by Kymera, and the Kymera Background Technology does not include any Patents and Know-How that are in-licensed from a Third Party; (ii) all Kymera Background Technology is free and clear of any liens, charges and encumbrances; and (iii) to Kymera's Knowledge, no license granted by any Third Party to Kymera or its Affiliates, or by Kymera or its Affiliates to any Third Party, conflicts with the rights and licenses granted to Sanofi hereunder;

(g) Kymera is entitled to grant all rights, options and licenses under the Kymera Background Technology that it purports to grant or that are anticipated to be granted to Sanofi under this Agreement;

(h) Schedule 1.193 sets forth a true, correct and complete list of all Kymera Background Patents as of (i) the Original Agreement Execution Date and (ii) the Restatement Execution Date and, except as set forth on Schedule 1.193, each such Patent is owned solely by Kymera. To the extent any Kymera Background Patent is not owned by Kymera, Schedule 1.193 identifies the licensor or sublicensor from which the Patent is licensed;

(i) to Kymera's Knowledge, all Kymera Background Patents have been Prosecuted and Maintained from the respective patent offices in accordance with Applicable Law. Kymera has not received any written claims, nor to Kymera's Knowledge, is there any ongoing claim or threatened claim, by any Third Party (i) challenging the scope, validity or enforceability of any issued Kymera Background Patents, (ii) asserting the misuse or non-infringement of any of the Kymera Background Technology, or (iii) challenging Kymera's Control of any of the Kymera Background Technology;

(j) with respect to the Kymera Background Patents that exist as of the Original Agreement Execution Date and the Restatement Execution Date, as applicable, (i) Kymera has obtained valid and enforceable assignments from the inventors of all inventorship rights relating to such Patents, and all such assignments of inventorship rights relating to such Patents have been properly executed and recorded in the relevant U.S. and foreign patent offices, (ii) to Kymera's Knowledge, no current officer, employee, agent, advisor, consultant or representative of Kymera or any of its Affiliates is in violation of any term of any such assignment or other agreement with Kymera or such Affiliate regarding the protection of any Kymera Background Technology, and (iii) to Kymera's Knowledge, no Person who claims to be an inventor of an invention claimed in a Kymera Patent is not identified as an inventor of such invention in the filed Patent documents for such Kymera Patent;

(k) (i) all employees of Kymera performing activities on behalf of Kymera are subject to a present obligation to assign to Kymera all right, title and interest in and to any

inventions developed by them in the conduct of such activities, whether or not patentable; and (ii) all Subcontractors of Kymera performing activities on behalf of Kymera are subject to a written contract that provides that Kymera will obtain ownership of, or a fully sublicensable license (any expenses of which will be borne by Kymera) under and to, any Know-How and Patents that are discovered, developed, invented or created by such Subcontractor in the performance of such agreement and are necessary or reasonably useful to Research, Develop, Manufacture or Commercialize Collaboration Compounds, Collaboration Candidates or Licensed Products in the Field in the Territory; *provided* that the foregoing requirement to obtain ownership of, or a fully sublicensable license will not apply to any improvements to the proprietary core or platform technology owned or in-licensed by any such Subcontractor or its Affiliates unless such improvements are necessary or reasonably useful to Research, Develop, Manufacture or Commercialize those Collaboration Compounds, Collaboration Candidates or Licensed Products with respect to which such Subcontractor or its Affiliate conducted its activities under such contract;

(l) with respect to the Kymera Background Patents that exist as of the Original Agreement Execution Date and the Restatement Execution Date, as applicable, (i) Kymera and its Affiliates have materially complied with all applicable disclosure requirements of the applicable Governmental Authority, in connection with the Prosecution and Maintenance of such Kymera Background Patents, (ii) the pending applications included in Kymera Background Patents are being diligently prosecuted in the respective patent offices in the Territory in which Kymera has chosen to file in accordance with Applicable Law, (iii) to Kymera's Knowledge, Kymera has presented all relevant references, documents and information of which it and the inventors are aware to the relevant patent examiner at the relevant patent office, and (iv) it has timely paid all filing and renewal fees payable with respect to any such Kymera Background Patents;

(m) Kymera and its Affiliates have taken commercially reasonable measures consistent with industry practices to protect the secrecy, confidentiality and value of all Kymera Background Know-How that exists as of the Original Agreement Execution Date and the Restatement Execution Date, as applicable, that constitutes confidential information or trade secrets under Applicable Law (including requiring all employees, consultants and independent contractors to execute binding and enforceable agreements requiring all such employees, consultants and independent contractors to maintain the confidentiality of such Kymera Background Know-How) and, to Kymera's Knowledge, such Kymera Background Know-How has not been used, disclosed to or discovered by any Third Party except pursuant to such confidentiality agreements and to Kymera's Knowledge there has not been a breach by any party to such confidentiality agreements;

(n) to Kymera's Knowledge, [***];

(o) no inventions Covered by the Kymera Background Technology (i) were conceived, discovered, developed or otherwise made in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof; (ii) are a "subject invention" as that term is described in 35 U.S.C. §201(e); (iii) are otherwise subject to the provisions of the Patent and Trademark Law Amendments Act of 1980, as amended, codified at 35 U.S.C. §§200-212, as amended, or any regulations promulgated pursuant thereto,

including in 37 C.F.R. Part 401; and (iv) are the subject of any licenses, options or other rights of any Governmental Authority, within or outside the United States;

(p) there are no judgments or settlements against Kymera or any of its Affiliates, or, to Kymera's Knowledge, pending or threatened claims or litigation, in each case, in connection with the Kymera Background Technology that exists as of the Original Agreement Execution Date or the Restatement Execution Date, as applicable, or relating to the transactions contemplated by this Agreement;

(q) to Kymera's Knowledge, the use, practice or application by Kymera (or its Affiliates) of any Kymera Background Technology as contemplated under this Agreement does not infringe any Valid Claim of any issued and unexpired Patents of a Third Party;

(r) Kymera has not misappropriated any trade secret or other Know-How of a Third Party in development of the Kymera Background Technology;

(s) Kymera has not employed (and, to its Knowledge, has not used a contractor or consultant that has employed) any Person debarred by the FDA (or subject to a similar sanction of EMA or foreign equivalent), or any Person that is the subject of an FDA debarment investigation or proceeding (or similar proceeding of EMA or foreign equivalent), in any capacity in connection with this Agreement; and

(t) Kymera has [***], and neither Kymera, nor, to Kymera's Knowledge, any of its Subcontractors, are in possession of [***].

13.3 **Updated Information Regarding Representations and Warranties of Kymera**. On a Collaboration Target-by-Collaboration Target basis, within [***] after the delivery of the Participation Data Package with respect to such Collaboration Targets, Kymera shall provide written notice to Sanofi stating any exceptions to the veracity of the representations and warranties set forth in Section 13.2 as of the date of such notice of which Kymera has Knowledge (*mutatis mutandis*).

13.4 **Sanofi Covenants**. Sanofi hereby covenants to Kymera that, except as otherwise expressly permitted under this Agreement:

(a) Sanofi will, and will require its Affiliates and Subcontractors to comply with all Applicable Law in its and their conduct of activities pursuant to this Agreement, including where appropriate GMP, GCP and GLP (or similar standards);

(b) all employees of Sanofi or its Affiliates or Third Party subcontractors and Sublicensees working under this Agreement will be under appropriate confidentiality provisions at least as protective as those contained in this Agreement;

(c) all employees and Subcontractors of Sanofi performing activities hereunder on behalf of Sanofi will be obligated to assign to Sanofi all right, title and interest in and to any inventions developed by them in the conduct of such activities, whether or not patentable;

(d) where this Agreement refers to an action or obligation to be undertaken by Sanofi's Affiliates, Sanofi will cause such Affiliates to undertake such obligations or other actions, and Sanofi will be responsible and liable for any acts or omissions by its Affiliates;

(e) Sanofi will not, and will [***] not to, engage directly or indirectly, in any capacity in connection with this Agreement any Person who either has been debarred by the FDA, is the subject of a conviction described in Section 306 of the FD&C Act or is subject to any such similar sanction; and

(f) Sanofi will inform Kymera in writing promptly if it or any Person engaged by Sanofi or any of its Affiliates or Subcontractors who is performing services under this Agreement or any Co-Promotion Agreement or Cost/Profit Sharing Agreement is debarred or is the subject of a conviction described in Section 306 of the FD&C Act, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to Sanofi's knowledge, is threatened, relating to the debarment or conviction of Sanofi, any of its Affiliates or any such Person performing services hereunder or thereunder.

13.5 **Kymera Covenants**. Kymera hereby covenants to Sanofi that, except as otherwise expressly permitted under this Agreement:

(a) Kymera will, and will require its Affiliates and Subcontractors to, comply with all Applicable Law in its and their conduct of activities pursuant to this Agreement, including where appropriate GMP, GCP and GLP (or similar standards);

(b) all employees of Kymera or its Affiliates or Third Party subcontractors and Sublicensees working under this Agreement will be under appropriate confidentiality provisions at least as protective as those contained in this Agreement;

(c) Kymera will use Commercially Reasonable Efforts to maintain and not breach any Collaboration In-License Agreement in a manner that would reasonably be expected to give rise to a termination right of the licensor party, and will cause its Affiliates to maintain and not breach in a manner that would reasonably be expected to give rise to a termination right of the licensor party;

(d) Kymera will promptly notify Sanofi in writing of any material breach by Kymera or its Affiliate or a Third Party of any Collaboration In-License Agreement;

(e) Kymera will not, and will cause its Affiliates not to, amend, modify or terminate any Collaboration In-License Agreement in a manner that would adversely affect Sanofi's rights hereunder without first obtaining Sanofi's written consent;

(f) Kymera will not, and will cause its Affiliates not to (i) license, sell, assign or otherwise transfer to any Person any Licensed Technology (or agree to do any of the foregoing) or (ii) incur or permit to exist, with respect to any Licensed Technology, any lien, encumbrance, charge, security interest, mortgage, liability, grant of license to Third Parties or other restriction (including in connection with any indebtedness), in each case, that would conflict with, limit, impair or restrict the rights and licenses (or sublicenses, as the case may be) granted to Sanofi

hereunder; *provided* that nothing herein will restrict Kymera from effectuating an assignment in accordance with Section 18.1;

(g) Kymera will not, during the Term, enter into any material agreements or contracts that would be inconsistent with its obligations under this Agreement;

(h) during the Term, (i) all employees of Kymera performing activities hereunder on behalf of Kymera will be subject to a present obligation to assign to Kymera all right, title and interest in and to any inventions developed by them in the conduct of such activities, whether or not patentable, and (ii) all Subcontractors of Kymera performing activities on behalf of Kymera pursuant to an agreement entered into after the Execution Agreement will be subject to a written contract that provides that Kymera will obtain ownership of, or a fully sublicensable license (any expenses of which will be borne by Kymera) under and to, any Know-How and Patents that are discovered, developed, invented or created by such Subcontractor in the performance of such agreement and are necessary or reasonably useful to Research, Develop, Manufacture or Commercialize Collaboration Compounds, Collaboration Candidates or Licensed Products in the Field in the Territory; *provided* that Kymera will use Commercially Reasonable Efforts to obtain (x) ownership of any such Know-How and Patents rather than a license to such Know-How or Patents or, (y) if Kymera cannot so obtain ownership using Commercially Reasonable Efforts, an exclusive license to any such Know-How and Patents; and *further provided* that the foregoing requirement to obtain ownership of, or a fully sublicensable license will not apply to any improvements to the proprietary core or platform technology owned or in-licensed by any such Subcontractor or its Affiliates unless such improvements are necessary or reasonably useful to Research, Develop, Manufacture or Commercialize those Collaboration Compounds, Collaboration Candidates or Licensed Products with respect to which such Subcontractor or its Affiliate conducted its activities under such contract;

(i) where this Agreement refers to an action or obligation to be undertaken by Kymera's Affiliates, Kymera will cause such Affiliates to undertake such obligations or other actions, and Kymera will be responsible and liable for any acts or omissions by its Affiliates;

(j) Kymera will not, and will cause its Affiliates and Subcontractors not to, engage directly or indirectly, in any capacity in connection with this Agreement any Person who either has been debarred by the FDA, is the subject of a conviction described in Section 306 of the FD&C Act or is subject to any such similar sanction; and

(k) Kymera will inform Sanofi in writing promptly if it or any Person engaged by Kymera or any of its Affiliates or Subcontractors who is performing services under this Agreement or any Co-Promotion Agreement or Cost/Profit Sharing Agreement is debarred or is the subject of a conviction described in Section 306 of the FD&C Act, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to Kymera's knowledge, is threatened, relating to the debarment or conviction of Kymera, any of its Affiliates or any such Person performing services hereunder or thereunder.

13.6 **Disclaimer**. WITHOUT LIMITING THE RESPECTIVE RIGHTS AND OBLIGATIONS OF THE PARTIES EXPRESSLY SET FORTH HEREIN, EACH PARTY SPECIFICALLY DISCLAIMS ANY GUARANTEE THAT THE ACTIVITIES CONDUCTED

HEREUNDER OR ANY COLLABORATION COMPOUND, COLLABORATION CANDIDATE OR LICENSED PRODUCT WILL BE SUCCESSFUL, IN WHOLE OR IN PART. EXCEPT AS OTHERWISE EXPRESSLY *PROVIDED* IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED (AND EACH PARTY HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES NOT EXPRESSLY *PROVIDED* IN THIS AGREEMENT), INCLUDING WITH RESPECT TO ANY PATENTS OR KNOW-HOW, OR MATERIALS, INCLUDING WARRANTIES OF VALIDITY OR ENFORCEABILITY OF ANY PATENTS, TITLE, QUALITY, COMPLETENESS, ACCURACY, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, PERFORMANCE, AND NONINFRINGEMENT OF ANY THIRD PARTY PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS.

ARTICLE 14
INDEMNIFICATION; INSURANCE; LIMITATIONS

14.1 **Indemnification**.

14.1.1 **Indemnification by Sanofi**. Sanofi will indemnify, defend and hold harmless Kymera, its Affiliates, and its and its Affiliates' employees, officers, directors and agents and their respective successors, heirs and assigns (each, a "**Kymera Indemnified Party**") from and against any liability, loss, damage or expense (including reasonable attorneys' fees and expenses) (collectively, "**Liability**") arising out of any Third Party suit, investigation, claim or demand in connection with:

(a) the Research, Development, Manufacture, Commercialization or use of any Collaboration Compound, Collaboration Candidate or Licensed Product by, on behalf of, or under the authority of, Sanofi or any of its Affiliates (other than by a Kymera Indemnified Party);

(b) the breach by Sanofi of any of its representations, warranties or covenants set forth in this Agreement; or

(c) the negligence, recklessness or willful misconduct of Sanofi or any Sanofi Indemnified Party in connection with the performance of its obligations hereunder; and except, in each case ((a)–(c)), to the extent such claims fall within the scope of Kymera's indemnification obligations under Section 14.1.2 (or would have had the Third Party claim been made against Sanofi under this Agreement) as to which Liability each Party will indemnify the other to the extent of their respective liability.

14.1.2 **Indemnification by Kymera**. Kymera will indemnify, defend and hold harmless Sanofi, its Affiliates and its and its Affiliates' employees, officers, directors and agents and their respective successors, heirs and assigns (each, a "**Sanofi Indemnified Party**") from and against any Liability arising out of any Third Party suit, investigation, claim or demand in connection with:

(a) the Research, Development, Manufacture or Commercialization of any Collaboration Compound, Collaboration Candidate or Licensed Product by, on behalf of, or under the authority of, Kymera or any of its Affiliates (other than by a Sanofi Indemnified Party);

(b) the breach by Kymera of any of its representations, warranties or covenants set forth in this Agreement;

(c) the negligence, recklessness or willful misconduct of Kymera or any Kymera Indemnified Party in connection with the performance of its obligations hereunder;

(d) [***]; or

(e) following the grant of the license set forth in Section 15.3.2(f)(i), the research, development, manufacture, and commercialization by or on behalf of Kymera or its Affiliates, sublicensees, subcontractors, agents or consultants of any (i) Terminated Product and (ii) Degrader that constitutes an improvement, modification or derivative of such Terminated Product, in each case Covered by such license; and except, in each case ((a)–(c)), to the extent such claims fall within the scope of Sanofi's indemnification obligations under Section 14.1.1 (or would have had the Third Party claim been made against Kymera under this Agreement) as to which Liability each Party will indemnify the other to the extent of their respective liability.

14.1.3 **Procedure**. Each Party will notify the other Party in writing if it becomes aware of a claim for which such Party may seek indemnification hereunder. If any Proceeding (including any governmental investigation) is instituted against a Party with respect to which indemnity may be sought pursuant to Section 14.1.1 or 14.1.2, as applicable, such Party (the "**Indemnified Party**") will give prompt written notice of the indemnity claim to the other Party (the "**Indemnifying Party**") and provide the Indemnifying Party with a copy of any complaint, summons or other written notice that the Indemnified Party receives in connection with any such claim. An Indemnified Party's failure to deliver such written notice will relieve the Indemnifying Party of liability to the Indemnified Party under Section 14.1.1 or 14.1.2, as applicable, only to the extent such delay is prejudicial to the Indemnifying Party's ability to defend such claim and allow the Indemnifying Party to assume the defense of claim. *Provided that* the Indemnifying Party is not contesting the indemnity obligation, the Indemnified Party will permit the Indemnifying Party to control any litigation relating to such claim and the disposition of such claim by negotiated settlement or otherwise (subject to this Section 14.1) and any failure to contest such obligation prior to assuming control will be deemed to be an admission of the obligation to indemnify. The Indemnifying Party will act reasonably and in good faith with respect to all matters relating to such claim and will not settle or otherwise resolve such claim without the Indemnified Party's prior written consent, which will not be unreasonably withheld, conditioned or delayed; *provided* that such consent will not be required with respect to any settlement involving only the payment of monetary awards for which the Indemnifying Party will be fully responsible. The Indemnified Party will cooperate with the Indemnifying Party in the Indemnifying Party's defense of any claim for which indemnity is sought under this Agreement, at the Indemnifying Party's cost and expense.

14.2 **Insurance**. Kymera and Sanofi will respectively, at their own cost and expense, obtain and maintain commercially reasonable insurance coverage from insurance carriers licensed to do business under the laws of the country, state, commonwealth, province, or territory in which such Party's obligations are provided, with insurers that carry a rating of at least an A- VII or better from A.M. Best. Each Party will furnish to the other Party evidence of such insurance upon

request. Notwithstanding the foregoing, Sanofi may self-insure to the extent that it self-insures other activities.

14.3 **Limitation of Consequential Damages**. Except for (a) claims of a Third Party that are subject to indemnification under this Article 14, (b) claims arising out of a Party's fraud or willful misconduct or (c) a Party's breach of Section 10.6, 10.7 or 10.8 or Article 16, neither Party nor any of its Affiliates will be liable to the other Party or its Affiliates for any incidental, special, punitive or other indirect damages or lost or imputed profits or royalties, lost data or cost of procurement of substitute goods or services, which are not probable and reasonably foreseeable, whether liability is asserted in contract, tort (including negligence and strict product liability), indemnity or contribution, and irrespective of whether that Party or any representative of that Party has been advised of, or otherwise might have anticipated the possibility of, any such loss or damage.

ARTICLE 15
TERM; TERMINATION

15.1 **Term; Expiration**. Subject to the Closing as set forth in Section 17.2, the term of this Agreement will begin as of the Original Agreement Effective Date and, unless earlier terminated pursuant to the other provisions of this Article 15, will expire on the latest of (such period, the "**Term**"):

(a) on an Opt-In Product-by-Opt-In Product basis, the date on which neither Party is Developing or Commercializing such Opt-In Product in the U.S.;

(b) with respect to a Licensed Product that is not an Opt-In Product, on a country-by-country and Licensed Product-by-Licensed Product basis, on the date of expiration of all payment obligations under this Agreement with respect to such Licensed Product in such country; and

(c) in its entirety upon the expiration of all payment obligations under this Agreement with respect to all Licensed Products in all countries pursuant to Article 11.

15.2 **Termination of the Agreement**.

15.2.1 **Automatic Termination of Collaboration Target**. If Sanofi fails to timely exercise the Sanofi Participation Election Right with respect to a Collaboration Target in accordance with Section 4.3 prior to the applicable Sanofi Participation Election Deadline, this Agreement will automatically terminate with respect to such Collaboration Target, and, for clarity, such Collaboration Target will become a Terminated Target, with no further action by the Parties.

15.2.2 **Sanofi's Termination for Convenience**. Sanofi may terminate this Agreement, either (i) in its entirety, or (ii) on a Collaboration Target-by-Collaboration Target basis, in each case ((i)-(ii)), for convenience by providing written notice of its intent to terminate to Kymera, in which case, such termination will be effective [***] after Kymera's receipt of such written notice, and, for clarity, any such Collaboration Target, or each

Collaboration Target to the extent this Agreement is terminated in its entirety, will become a Terminated Target.

15.2.3 **Termination under Certain Circumstances**.

(a) **Sanofi's Right to Terminate for Material Breach**.

(i) Subject to Section 15.2.3(a)(ii) below, if Sanofi believes that Kymera is in material breach of this Agreement, Sanofi may deliver written notice of such material breach to Kymera. If the breach is curable, Kymera will have [***] following its receipt of such written notice to cure such breach (except to the extent such breach involves the failure to make a payment when due, which breach must be cured within [***] following its receipt of such written notice). If Kymera fails to cure, or fails to dispute, such breach within such [***] period or [***] period, as applicable, or the breach is not subject to cure, Sanofi may terminate this Agreement in its entirety or with respect to the particular Collaboration Target to which the breach relates by providing written notice to Kymera, in which case, this Agreement will terminate in its entirety or with respect to such Collaboration Target, as applicable, on the date on which Kymera receives such written notice; *provided*, *however*, that if (A) the relevant breach is curable, but not reasonably curable within [***], and (B) Kymera is making a *bona fide* effort to cure such breach, Sanofi's right to terminate this Agreement on account of such breach will be suspended for so long as Kymera is continuing to make such *bona fide* effort to cure such breach and if such breach is successfully cured, Sanofi will no longer have the right to terminate this Agreement on account of such breach.

(ii) If Sanofi believes that Kymera is in material breach of this Agreement and such breach constitutes a Step-In Trigger, as defined in Section 15.2.4, Sanofi may deliver written notice of such material breach to Kymera. If the breach is curable, Kymera will have [***] following its receipt of such written notice to cure such breach. If Kymera fails to cure, or fails to dispute, such breach within such [***] period, or the breach is not subject to cure, Sanofi may elect to exercise the alternate remedy provision set forth in Section 15.2.4. If Sanofi does not exercise the alternate remedy provision, this Agreement will terminate [***] after the date on which Kymera received written notice of the material breach.

(b) **Sanofi's Right to Terminate for Material Safety Event**. In the event a Material Safety Event has occurred and notice has been provided pursuant to Section 7.6.2, Sanofi may: (i) in the event of a Sanofi Material Safety Event Notice or a Kymera Material Safety Event Notice issued by Sanofi, include in such notice (or within [***] after the date of such Sanofi Material Safety Event Notice or Kymera Material Safety Event Notice, as applicable) a written notice of termination of this Agreement, or (ii) in the event of a Kymera Material Safety Event Notice, provide Kymera a written notice of termination of this Agreement within [***] after the date of such Kymera Material Safety Event Notice (a "**Safety Termination**"), which termination notice will be effective as of the date of its issuance.

(c) **Kymera's Right to Terminate for Material Breach**. If Kymera believes that Sanofi is in material breach of this Agreement, Kymera may deliver written notice of such material breach to Sanofi. If the breach is curable, Sanofi will have [***] following its receipt of such written notice to cure such breach (except to the extent such breach involves the failure to

make a payment when due, which breach must be cured within [***] following its receipt of such written notice). If Sanofi fails to cure, or fails to dispute, such breach within such [***] period or [***] period, as applicable, or the breach is not subject to cure, Kymera may terminate this Agreement in its entirety or solely with respect to the particular Collaboration Target to which the breach relates, by providing written notice to Sanofi, in which case, this Agreement will terminate in its entirety or with respect to such Collaboration Target, as applicable, on the date on which Sanofi receives such written notice; *provided*, *however*, that if (A) the relevant breach (1) does not involve Sanofi's failure to make a payment when due and (2) is curable, but not reasonably curable within [***], and (B) Sanofi is making a *bona fide* effort to cure such breach, Kymera's right to terminate this Agreement on account of such breach will be suspended for so long as Sanofi is continuing to make such *bona fide* effort to cure such breach and if such breach is successfully cured, Kymera will no longer have the right to terminate this Agreement on account of such breach.

(d) **Each Party's Right to Terminate for a Patent Challenge**. If a Party or its Affiliates (A) commences or actively and voluntarily participates in any legal action or administrative proceeding (including any patent opposition or re-examination proceeding) challenging or denying the validity or enforceability of any claim of any Patent that is licensed to it by the other Party under this Agreement, or (B) actively and voluntarily assists, or directs or supports any other Person in bringing or prosecuting any legal action or administrative proceeding (including any patent opposition or re-examination proceeding) challenging or denying the validity or enforceability of any claim of any Patent that is licensed to it by the other Party under this Agreement (each of (A) and (B), a "**Patent Challenge**"), then, to the extent permitted by Applicable Law, the challenged Party will have the right, in its sole discretion, to terminate this Agreement with respect to any Collaboration Target to which such Patent relates, upon written notice to the challenging Party, [***] following such notice, and, unless the challenging Party withdraws or causes to be withdrawn all such challenge(s) (or in the case of *ex-parte* proceedings, multi-party proceedings, or other Patent Challenges that the challenging Party does not have the power to unilaterally withdraw or cause to be withdrawn, the challenging Party ceases assisting any other party to such Patent Challenge and, to the extent the challenging Party is a party to such Patent Challenge, it withdraws from such Patent Challenge within such [***] period), this Agreement will automatically terminate with respect to any Collaboration Target to which such Patent relates. Notwithstanding the foregoing, (a) the challenged Party will not have the right to terminate this Agreement under this Section 15.2.3(d) if the challenging Party challenges the validity of any Patents of the challenged Party licensed to such challenging Party under this Agreement in defense of claims of patent infringement filed by the challenged Party against such Party or its Affiliate, as the case may be, and (b) the termination provisions under this Section 15.2.3(d) will not apply with respect to any administrative proceeding that is filed, after consultation with the challenged Party, in a good-faith effort to correct, reinforce the patentability, validity or enforceability of, or expand the claim scope of, a challenged licensed Patent**.**

(e) **Kymera's Right to Terminate for Shelving**.

(i) On a Collaboration Target-by-Collaboration Target basis, following the Sanofi Participation Election Exercise, if Sanofi and its Affiliates and Sublicensees cease all Research, Development, Manufacturing and Commercialization activities with respect to Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against such Collaboration Target for a period of not less than [***], and such cessation is not due to a

requirement of a Regulatory Authority, a Force Majeure, a delay by a supplier or other vendor or any similar event outside of Sanofi's or its Affiliates' or Sublicensees' reasonable control, Kymera will have the right to terminate this Agreement with respect to such Collaboration Target upon [***] written notice thereof to Sanofi.

(ii) Notwithstanding the foregoing clause (i), in the event Kymera terminates this Agreement under this Section 15.2.3(e) with respect to a given Collaboration Target after completion of all Backup Research in accordance with Section 5.5, if [***], then for a period of [***] following the effective date of termination of this Agreement with respect to such Collaboration Target, Kymera will not, and will cause its Affiliates not to, [***]; *provided*, *however*, that the foregoing will not prohibit Kymera or its Affiliates from [***].

(iii) On a Collaboration Target by Collaboration Target basis, if (a) Kymera terminates this Agreement pursuant to Section 15.2.3(e)(i) with respect to such Collaboration Target, (b) the provisions of Section 15.2.3(e)(ii) apply, and (c) prior to the [***].

(iv) If either (Y) Sanofi does not provide a [***] within such [***] period, or (Z) [***], then, in each case ((Y) and (Z)), [***].

(f) **Sanofi's Right to Terminate the SAD for Convenience**. Sanofi may terminate this Agreement solely with respect to the Second Additional Degraders (such termination, the "**SAD Termination**" and such terminated Second Additional Degraders, the " **Terminated Degraders**"), for convenience by providing written notice of its intent to terminate to Kymera, in which case, such termination will be effective (i) [***] after Kymera's receipt of such written notice, if such notice is provided during the Second Additional Degrader Research Term, or (ii) [***] after Kymera's receipt of such written notice, if such notice is provided after expiration of the Second Additional Degrader Research Term.

15.2.4 **Remedy in Lieu of Termination**. In the event that [***], in lieu of terminating this Agreement pursuant to Section 15.2.3(a), Sanofi may elect by written notice to Kymera, at Sanofi's cost, to [***], in which case [***]. For clarity, [***]. In the event that Sanofi elects [***] pursuant to this Section 15.2.4, then [***].

15.2.5 **Disputes Regarding Material Breach**. Notwithstanding the foregoing, if the Breaching Party in Section 15.2.3 disputes in good faith the existence, materiality, or failure to cure of any breach, and provides written notice to the Non-Breaching Party of such dispute within the relevant cure period, the Non-Breaching Party will not have the right to terminate this Agreement in accordance with Section 15.2.3, or the right to exercise the alternative remedy provision of Section 15.2.4, as applicable, unless and until the relevant dispute has been resolved pursuant to the dispute resolution provisions in Section 18.12. During the pendency of such dispute, all the terms of this Agreement will remain in effect and the Parties will continue to perform all of their respective obligations hereunder.

15.2.6 **Termination for Insolvency**. If, at any time during the Term, either Party makes an assignment for the benefit of creditors, appoints or suffers appointment of a receiver or trustee over all or substantially all of its property, files a petition under any bankruptcy or insolvency act or has any such petition filed against it that is not discharged

within [***] after the filing thereof (each, an "**Insolvency Event**"), the other Party may terminate this Agreement in its entirety by providing written notice of its intent to terminate this Agreement to such Party, in which case, this Agreement will terminate on the date on which such Party receives such written notice.

15.3 **Consequences of Expiration or Termination of the Agreement**.

15.3.1 **In General**. If this Agreement expires or is terminated in its entirety or with respect to one or more Collaboration Targets (or, in the event of a SAD Termination, the Second Additional Degraders) by a Party pursuant to Section 15.1 or Section 15.2, the following terms will apply to this Agreement, either in its entirety or, on a Terminated Target-by-Terminated Target basis, with respect to the Terminated Targets (or, if applicable, Second Additional Degraders) that are the subject of such termination, as the case may be:

(a) except in the case of Kymera for any Confidential Information of Sanofi that is Sanofi Reversion Technology, each Party will take all action required under Section 16.3;

(b) termination or expiration of this Agreement for any reason will be without prejudice to any rights or financial compensation that will have accrued to the benefit of a Party prior to such expiration or termination. Such expiration or termination will not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement;

(c) if this Agreement expires or is terminated in its entirety, all Committees will automatically be dissolved as of the effective date of such termination;

(d) as of the effective date of expiration or termination, as to Prosecution and Maintenance matters:

(i) Kymera will control, be responsible for, and have the sole right (but not the obligation) for, at its own expense, all aspects of the Prosecution and Maintenance of all (i) Kymera Background Patents solely applicable to the Terminated Target, and (ii) all Kymera Foreground Patents solely applicable to the Terminated Target. For clarity, in the event that this Agreement is terminated in its entirety, Kymera will control, be responsible for, and have the sole right (but not the obligation) for, at its own expense, all aspects of the Prosecution and Maintenance of all Kymera Background Patents and all Kymera Foreground Patents;

(ii) Subject to the Sanofi backup rights described in Section 12.2.9(c), Kymera will control, be responsible for, and have the sole right (but not the obligation) for, at its own expense, all aspects of the Prosecution and Maintenance of (i) all Joint Foreground Patents solely applicable to the Terminated Target, and (ii) all Joint Foreground Patents applicable to both the Terminated Target and another Target that is not a Collaboration Target. Notwithstanding the foregoing, in each case ((i) and (ii)), (x) Sanofi will have the right to review and comment on the Prosecution and Maintenance of each such Joint Foreground Patent, and (y) Kymera will incorporate all reasonable comments from Sanofi in respect thereof, and (z) if the Parties cannot agree on a particular action with respect to the Prosecution and Maintenance of such

Joint Foreground Patent, then either Party may refer such dispute to an Independent Third Party Patent Counsel for resolution in accordance with the Patent Resolution Procedures. [***]; and

(iii) For any Joint Foreground Patent that is applicable to both a Terminated Target and a Collaboration Target, Section 12.2.7 shall apply (*mutatis mutandis*) as to such Collaboration Target;

(e) as of the effective date of expiration or termination, as to Patent enforcement matters:

(i) Kymera will control, be responsible for, and have the sole right (but not the obligation) for, at its own expense, enforcing (1) all Kymera Background Patents solely applicable to the Terminated Target, and (2) all Kymera Foreground Patents solely applicable to the Terminated Target, and in each case ((1) and (2)), Kymera will retain all recoveries associated therewith. For clarity, in the event that this Agreement is terminated in its entirety, Kymera will control, be responsible for, and have the sole right (but not the obligation) for, at its own expense, enforcing (x) all Kymera Background Patents, and (y) all Kymera Foreground Patents, and in each case ((x) and (y)), Kymera will retain all recoveries associated therewith;

(ii) For any Competitive Infringement (*mutatis mutandis*) with respect to a particular Terminated Product against any Joint Foreground Patent that is (i) solely applicable to the Terminated Target or (ii) applicable to both the Terminated Target and another Target that is not a Collaboration Target, Section 12.4.5 shall apply (*mutatis mutandis*). For any other infringement against such Joint Foreground Patent that is not a Competitive Infringement (*mutatis mutandis*) with respect to a particular Terminated Product, Section 12.5.1 shall apply;

(iii) For the infringement of any Joint Foreground Patent that is applicable to both the Terminated Target and a Collaboration Target, Sections 12.4.5 and 12.5.1 shall apply;

(iv) Section 12.4.8 shall apply in respect of any damages or other monetary awards recovered with respect to any Proceeding governed by this Section 15.3.1(e) (*mutatis mutandis*); and

(v) Section 12.4.9 shall apply in respect of any settlement, consent judgment or other voluntary final disposition of any Proceeding governed by this Section 15.3.1(e) (*mutatis mutandis*);

(f) Kymera and Sanofi will respectively, at their own cost and expense, continue to maintain commercially reasonable insurance coverage from insurance carriers licensed to do business under the laws of the country, state, commonwealth, province, or territory in which such Party's obligations are provided, with insurers that carry a rating of at least an A- VII or better from A.M. Best, for a period of [***] after the termination or expiration of this Agreement in the entirety; *provided*, *however*, that if Kymera clinically Develops or Commercializes a Terminated Product, it shall continue to maintain such insurance coverage until the date [***]. Each Party will furnish to the other Party evidence of such insurance upon request. Notwithstanding the foregoing, Sanofi may self-insure to the extent that it self-insures other activities; and

(g) the following provisions of this Agreement will survive the expiration or termination of this Agreement: Article 1 and Sections 2.9.2, 2.9.3, 2.9.4, 2.9.5, 3.5.2, 3.5.3, 3.5.4, 3.5.5, 5.6.6, 10.4, 10.5, 11.7, 11.8, 11.9, 11.10, 12.1, 12.10, 13.6, 14.1, 14.3, 15.2, 15.3, 16.1, 16.2, 16.3, 16.4, 18.3, 18.4, 18.6, 18.7, 18.8, 18.9, 18.10, 18.11, 18.12, 18.13, 18.14, 18.15 and 18.16.

15.3.2 **Effects of Termination for Automatic Termination, by Sanofi for Convenience, or by Kymera for Material Breach, Patent Challenge, Shelving or Insolvency**. If this Agreement is terminated in its entirety or with respect to one or more Collaboration Targets pursuant to Section 15.2.1 (Automatic Termination), by Sanofi pursuant to Section 15.2.2 (Convenience) or by Kymera pursuant to Section 15.2.3(c) (Material Breach), 15.2.3(d) (Patent Challenge), 15.2.3(e) (Shelving) or 15.2.6 (Insolvency), or if a Collaboration Target otherwise becomes a Terminated Target, the following terms will apply with respect to any Collaboration Candidates or Collaboration Targets that are the subject of such termination, as the case may be:

(a) if such termination occurs prior to exercise of the Sanofi Participation Election Right, such Sanofi Participation Election Right with respect to the Terminated Target(s) will terminate;

(b) except as set forth in this Section 15.3, the licenses and rights granted to Sanofi under this Agreement with respect to all Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against the Terminated Target(s) will terminate;

(c) except as set forth in this Section 15.3, each Parties' rights and obligations under this Agreement with respect to the Terminated Target(s) will automatically cease;

(d) any permitted Sublicense of Sanofi with respect to the Terminated Targets will, at the Sublicensee's option, survive such termination on the condition that the relevant Sublicensee is not in material breach of any of its obligations under such Sublicense. In order to effect this provision, at the request of the Sublicensee, Kymera will enter into a direct license with the Sublicensee on terms that are substantially the same terms as the applicable terms (including economic terms) of this Agreement; *provided* that (i) Kymera will not be required to undertake obligations in addition to those required by this Agreement, (ii) Kymera's right under such direct license will be consistent with its rights under this Agreement, taking into account the scope of the license granted under such direct license, (iii) the license grant by Kymera to such Sublicensee will only include the Licensed Technology in existence as of the effective date of termination and subject to Section 15.3.2(f), Sanofi Reversion Technology with respect to Terminated Products Directed Against a Terminated Target (as applicable) and (iv) Kymera will not be required to grant to such Sublicensee any then-unexercised rights granted to Sanofi, including under Section 4.3;

(e) subject to patient safety and other ethical considerations, Sanofi will wind-down any ongoing Clinical Trials for any Licensed Product Directed Against the Terminated Target(s) in accordance with Applicable Law:

(i) if Kymera terminated this Agreement, all such wind-down costs will be borne by Sanofi; otherwise

(ii) all such wind-down costs will be allocated between the Parties' in accordance with the then-applicable terms of this Agreement with respect to Development cost sharing;

(f) solely in the event that Kymera provides Sanofi with written notice within [***] following the effective date of such termination that Kymera desires to receive a license under the Sanofi Reversion Technology, then effective as of the date of Sanofi's receipt of such notice:

(i) Sanofi hereby grants to Kymera [***], and (B) if the grant of such license to Kymera with respect to any Know-How or Patent included in the Sanofi Reversion Technology or Kymera's exercise of such license would trigger a royalty or other payment to a Third Party or would require compliance with any provision of any license between Sanofi and a Third Party, Sanofi will so notify Kymera in writing and such Know-How or Patent will only be included in the foregoing license if, following receipt of such notice, Kymera agrees in writing to reimburse Sanofi for all such payments to such Third Party and comply with any such provision;

(ii) On a Terminated Target-by-Terminated Target, Terminated Product-by-Terminated Product and country-by-country basis, Kymera will pay Sanofi royalties based on the [***] at the rates set forth in the table below, with the stage of development determined as of the effective date of termination with respect to the relevant Terminated Product. The obligation to pay royalties will be imposed only once with respect to the same unit of a Terminated Product:

[***] **for Terminated Products Directed Against the relevant Terminated Target**	**Applicable Royalty Rates**
[***]	[***]
[***]	[***]
[***]	[***]

The terms of Sections 11.3.2, 11.3.3, 11.3.4, 11.3.5, 11.3.6, and 11.3.8 will apply with respect to Kymera's payment of such royalty (*mutatis mutandis*); and

(iii) Sanofi will, as promptly as practicable:

(1) no later than [***] (or such other period as may be agreed by the Parties) following such termination, transfer to Kymera or its designee (A) a copy of any Know-How that constitutes Sanofi Reversion Technology and is included in Sanofi's submissions or filings with Regulatory Authorities, including any documentation (whether held in paper or electronic format) or similar removable media (including e-mails, documents, spreadsheets, copies of standard operating procedures or technical specifications), in Sanofi's possession or control,

provided that Sanofi shall have no obligation to transfer to Kymera any such Know-How to the extent (x) Kymera already is in possession or control of such Know-How, or (y) Sanofi previously transferred such Know-How to Kymera prior to the effective date of termination, and (B) any Materials transferred by Kymera to Sanofi in accordance with Section 2.9 that relate to such Terminated Target, to the extent in Sanofi's possession or control;

(2) promptly transfer and assign to Kymera all of Sanofi's and its Affiliates' rights, title, and interests in and to any trademarks (if any) exclusively used in connection with the Terminated Products (but not any Sanofi house marks or any trademark containing the word "Sanofi") owned by Sanofi and used for the Terminated Products in the Territory, if applicable;

(3) if Sanofi or its Affiliate or Sublicensee is the sole source Manufacturer of finished product with respect to Terminated Products on the effective date of termination of this Agreement, then at Kymera's reasonable request, Sanofi or its Affiliate will, and Sanofi will use Commercially Reasonable Efforts to cause its Sublicensee to (A) negotiate in good faith to enter into a commercially reasonable supply agreement pursuant to which Sanofi or such Affiliate or Sublicensee would supply such finished product to Kymera for a reasonable period of time, not to exceed [***], at a price equal to [***] of Sanofi's (or Affiliate's) cost for such Terminated Product, on customary supply terms to be negotiated by Kymera and Sanofi and (B) at Kymera's sole cost and expense and for a period not to exceed [***], conduct a technology transfer to enable Kymera or the applicable Third Parties designated by Kymera to Manufacture the Terminated Products and, if Clinical Trials for such Terminated Product(s) have begun, such transferred Manufacturing process shall be in accordance with GMP and comparable under Applicable Law to the Manufacturing process used by Sanofi as of the effective date of termination; and

(4) transfer to Kymera any inventory (including materials and work-in-progress) of the Terminated Products (if any) in the possession or control of Sanofi or its Affiliates as of the effective date of termination, at Kymera's cost for both the transport of the same and reimbursement of [***] of Sanofi's (or Affiliate's or Sublicensee's) Manufacturing Cost (*mutatis mutandis*) for such inventory;

(g) Sanofi will, as promptly as practicable:

(i) assign and transfer to Kymera or its designee ownership of all Marketing Approvals, Regulatory Filings and Price Approvals solely relating to the Research, Development, Manufacture or Commercialization of any Terminated Product;

(ii) transfer to Kymera or its designee copies of all material correspondence and conversation logs with Regulatory Authorities in Sanofi's possession or control related to any Terminated Product in the Territory and all material data, reports, records and other sales and marketing related information in Sanofi's possession or control that relate solely to the Research, Development, Manufacture, Commercialization of the Terminated Products in the Territory, *provided* that, [***] Sanofi shall have no obligation to transfer to Kymera any such materials to the extent (x) Kymera already is in possession or control of such

Know-How, or (y) Sanofi previously transferred such materials to Kymera prior to the effective date of termination;

(iii) at Kymera's request, appoint Kymera as Sanofi's or Sanofi's Affiliates' or Sublicensees' agent for all Terminated Product related matters in the Territory involving Regulatory Authorities until all Marketing Approvals, Regulatory Filings and Price Approvals in the Territory have been assigned to Kymera or its designee and in the event of a failure to obtain assignment, Sanofi will consent and grant Kymera the right to access and reference (without any further action on the part of Sanofi) any Marketing Approvals, Regulatory Filings or Price Approvals;

(iv) if the effective date of termination is after the First Commercial Sale of a Terminated Product, then at Kymera's request, to the extent permitted by Applicable Law, Sanofi or its Affiliate will, and Sanofi will use Commercially Reasonable Efforts to cause its Sublicensee, if applicable, to, appoint Kymera as its exclusive distributor of such Terminated Product in the Territory and grant Kymera the right to appoint sub-distributors, until such time as all Regulatory Filings, Marketing Approvals and Price Approvals in the Territory have been transferred to Kymera or its designee;

(v) at Kymera's reasonable request, use Commercially Reasonable Efforts to facilitate the establishment of a business relationship between Kymera and any Third Party Subcontractor that Sanofi has engaged in the Research, Development, Manufacture or Commercialization of a Terminated Product, including by facilitating introductions with such Subcontractors, and use Commercially Reasonable Efforts to assign to Kymera any agreements with any such Third Party Subcontractor that are exclusively related to a Terminated Product; and

(vi) if Kymera does not elect to receive a license under the Sanofi Reversion Technology pursuant to Section 15.3.2(f), Sanofi will destroy any inventory (including materials and work-in-progress) of the Terminated Products (if any) in the possession or control of Sanofi or its Affiliates as of the effective date of termination;

(h) notwithstanding anything to the contrary above in this Section 15.3.2 (including, for the avoidance of doubt, clauses (i) and (ii) of Section 15.3.2(g) and Section 15.3.2(f)(iii)), Sanofi will:

(i) [***], and

(ii) [***].

15.3.3 **Effects of Termination for SAD Termination**. If this Agreement is terminated by Sanofi with respect to the Second Additional Degraders pursuant to Section 15.2.3(f), the following terms will apply with respect to the Terminated Degraders:

(a) Section 15.3.2 shall apply, *provided* that (i) all references to "Collaboration Compounds, Collaboration Candidates and Licensed Products Directed Against the Terminated Targets" will be deemed references to "Terminated Degraders" (*mutatis mutandis*); and (ii) all wind-down costs incurred pursuant to Section 15.3.2(e) will be borne by Sanofi; and

(b) Sanofi shall remain subject to the exclusivity covenants of Section 10.6 in respect of the Terminated Degraders and shall not, during the Term of this Agreement, Research, Develop, Manufacture or Commercialize the Terminated Degraders in violation of the restrictions set forth in Section 10.6.1 or 10.6.2 (*mutatis mutandis*).

15.3.4 **Effects of Termination due to Kymera's Breach, Patent Challenge or Insolvency**. If this Agreement is terminated in its entirety or with respect to one or more Collaboration Targets by Sanofi pursuant to Section 15.2.3(a), Section 15.2.3(d) or Section 15.2.6, the following terms will apply with respect to any Collaboration Candidates or Licensed Products Directed Against such Collaboration Targets that are the subject of such termination, as the case may be:

(a) Sections 15.3.2(a), 15.3.2(b), 15.3.2(c), and 15.3.2(h) shall apply (*mutatis mutandis*);

(b) Sections 15.3.2(g)(i), 15.3.2(g)(ii), 15.3.2(g)(iv), and 15.3.2(g)(v) (each at Kymera's cost) shall apply (*mutatis mutandis*);

(c) Section 15.3.2(f)(iii)(3) shall apply in Sanofi's sole discretion and at Kymera's cost (*mutatis mutandis*);

(d) subject to patient safety and other ethical considerations, Sanofi will wind-down any ongoing Clinical Trials for any Licensed Product Directed Against the Terminated Target(s) in accordance with Applicable Law and such wind-down costs will be borne by Kymera; and

(e) If requested by Kymera, Sanofi will transfer to Kymera any inventory of the Terminated Products (if any) in the possession or control of Sanofi or its Affiliates as of the effective date of termination, at Kymera's cost for both the transport of the same and reimbursement of Sanofi's (or Affiliate's or Sublicensee's) Manufacturing Costs.

15.3.5 **Effects of Termination due to a Material Safety Event**. If this Agreement is terminated in its entirety or with respect to one or more Collaboration Targets by Sanofi pursuant to Section 15.2.3(b), the following terms will apply with respect to any Collaboration Candidates or Licensed Products Directed Against such Collaboration Targets that are the subject of such termination, as the case may be:

(a) Sections 15.3.2(a), 15.3.2(b), 15.3.2(c), and 15.3.2(h) shall apply (*mutatis mutandis*);

(b) Sections 15.3.2(g)(i), 15.3.2(g)(ii), 15.3.2(g)(iv), and 15.3.2(g)(v), (each at Kymera's cost) shall apply (*mutatis mutandis*);

(c) subject to patient safety and other ethical considerations, Sanofi will wind-down any ongoing Clinical Trials for any Licensed Product Directed Against the Terminated Target(s) in accordance with Applicable Law and such wind-down costs will be borne by Sanofi; and

(d) prior to the Initiation of a relevant Clinical Trial, Kymera will obtain and maintain, to the extent it does not already, insurance coverage at commercially reasonable levels for the conduct of Clinical Trials.

ARTICLE 16
CONFIDENTIALITY

16.1 **Confidentiality**. During the Term and for [***] thereafter, each Party (the "**Receiving Party**") receiving any Confidential Information of the other Party (the "**Disclosing Party**") hereunder will: (a) keep the Disclosing Party's Confidential Information confidential; (b) not publish, or allow to be published, and not otherwise disclose, or permit the disclosure of, the Disclosing Party's Confidential Information; and (c) not use, or permit to be used, the Disclosing Party's Confidential Information for any purpose, except, in each case, to the extent expressly permitted under this Agreement or otherwise agreed in writing. Without limiting the generality of the foregoing, to the extent that either Party provides the other Party any Confidential Information owned by any Third Party, the Receiving Party will handle such Confidential Information in accordance with the terms of this Article 16 applicable to a Receiving Party.

16.2 **Authorized Disclosure**. Notwithstanding Section 16.1, each Party may disclose the other Party's Confidential Information to the extent such disclosure is reasonably necessary to:

16.2.1 file or prosecute patent applications as contemplated by this Agreement;

16.2.2 prosecute or defend litigation;

16.2.3 allow its Affiliates and actual or potential Sublicensees and actual or potential Subcontractors, in each case, to exercise its rights or perform its obligations under this Agreement; *provided* that such disclosure is covered by terms of confidentiality at least as restrictive as those set forth herein;

16.2.4 subject to the remainder of this Section 16.2, share with its advisors (including financial advisors, attorneys and accountants), actual or potential acquisition partners, financing sources or investors and underwriters on a need to know basis; *provided* that such disclosure is covered by terms of confidentiality similar to those set forth herein (which may include professional ethical obligations); or

16.2.5 comply with Applicable Law (including to obtain and maintain Marketing Approvals for a Licensed Product); *provided* that with respect to Sections 16.2.1, 16.2.2 or 16.2.4, the Receiving Party will notify the Disclosing Party of the Receiving Party's intent to make any disclosure pursuant thereto sufficiently prior to making such disclosure so as to allow the Disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of the information to be disclosed.

Notwithstanding anything to the contrary contained herein, in no event may Kymera disclose Sanofi's Confidential Information to any Third Party (including any of Kymera's investors, collaborators or licensees) engaged in the research, development, manufacture or

commercialization of pharmaceutical products, other than to actual or potential Subcontractors. Notwithstanding anything to the contrary contained herein, in no event may Sanofi disclose Kymera's Confidential Information to any Third Party (including any of Sanofi's investors, collaborators or licensees) engaged in the research, development, manufacture or commercialization of pharmaceutical products, other than to actual or potential Subcontractors or Sublicensees.

16.3 **Expiration or Termination of this Agreement**. Following the expiration or termination of this Agreement, if requested by the Disclosing Party, at the Receiving Party's election, the Receiving Party will use diligent efforts to return or destroy, all data, files, records and other materials containing or comprising the Disclosing Party's Confidential Information, except to the extent such Confidential Information is necessary or reasonably useful to conduct surviving obligations or exercise surviving rights. Notwithstanding the foregoing, (a) the Receiving Party will be permitted to retain one copy of such data, files, records, and other materials for archival and legal compliance purposes and (b) the Receiving Party will not be required to return or destroy electronically stored information that is commercially impractical to access, segregate or destroy, including any electronic back-up tapes or other electronic back-up files that have been created solely by the Receiving Party's automatic or routine archiving and back-up procedures, to the extent created and retained in a manner consistent with its or their standard archiving and back-up procedures.

16.4 **SEC Filings and Other Disclosures**. Either Party may disclose the terms of this Agreement to the extent required to comply with Applicable Law, including the rules and regulations promulgated by the United States Securities and Exchange Commission or any equivalent governmental agency in any country in the Territory; *provided that* such Party will provide the other Party a reasonable opportunity to review such disclosure and reasonably consider the other Party's comments regarding confidential treatment sought for such disclosure.

16.5 **Public Announcements**. On a date to be determined mutually by the Parties, Kymera will issue a press release regarding the signing of this Agreement in substantially the form attached hereto as Exhibit D. Except (a) as set forth in the preceding sentence and (b) as required to comply with Applicable Law (including the rules and regulations promulgated by the United States Securities and Exchange Commission or any equivalent governmental agency in any country in the Territory in accordance with Section 16.4), and (c) as may be expressly permitted under Section 16.4, neither Party will make any public announcement regarding this Agreement without the prior written approval of the other Party. Notwithstanding the foregoing, subject to Section 16.6 and any requirements as a result of Applicable Law or Regulatory Authority, Kymera may make public announcements on or after the Restatement Effective Date with respect to (1) (i) a summary of data and results provided by Kymera in the Pre-Clinical and SAD/MAD Data Package, the MAD Data Package, the Phase 1 Patient Data Package and the Remaining Patients Data Package of the Kymera Existing Phase 1 Clinical Trial, and (ii) a statement that Sanofi will be conducting Phase 2 Clinical Trials with respect to KT-474 (for clarity, without any other additional details on any such Phase 2 Clinical Trials), (2) Sanofi's exercise of a Sanofi Participation Election Right, and (3) the receipt of any milestone payments hereunder; *provided* that, in each case ((1) - (3)), prior to making any such public announcement, Kymera will (A) consult with Sanofi with respect to the timing of the relevant announcement, (B)

provide Sanofi with a copy of the proposed announcement, and (C) in good faith coordinate the timing of such announcements with Sanofi's disclosures of the same subject matter.

16.6 **Publications**.

16.6.1 **Publications Prior to the Sanofi Participation Election Effective Date**. During the Term prior to the Sanofi Participation Election Effective Date (if any) with respect to [***]:

(a) [***].

(b) [***].

(c) [***].

16.6.2 **Publications Following Sanofi Participation Election Effective Date**. During the Term following the Sanofi Participation Election Effective Date (if any) with respect to a Collaboration Candidate, each Disclosing Party will submit to the Non-Disclosing Party for review any proposed academic, scientific or medical publication or academic, scientific and medical public presentation related to such Collaboration Candidate or related Licensed Product Directed Against such Collaboration Target in the applicable Field or any activities conducted pursuant to this Agreement with respect to such Collaboration Candidate or such related Licensed Product; *provided* that, no such academic, scientific or medical publication or academic, scientific and medical public presentation will occur without Sanofi's prior written consent. The Non-Disclosing Party will review such publication or presentation for purposes of (a) determining whether any portion of the proposed publication or presentation contains the Non-Disclosing Party's Confidential Information, (b) preserving the value of the Licensed Technology and the rights granted to each Party hereunder, or (c) obtaining Patent protection. The Disclosing Party shall give any such comments due consideration and shall not unreasonably reject such comments. Written copies of such proposed publication or presentation will be submitted to the Non-Disclosing Party no later than [***] before submission for publication or presentation. The Non-Disclosing Party will provide its comments with respect to such publications and presentations within [***] after its receipt of such written copy. The review period may be extended for an additional [***] if the Non-Disclosing Party reasonably requests such extension, including requests to permit the Non-Disclosing Party to prepare and file patent applications. The Non-Disclosing Party may require that the other Party redact the Non-Disclosing Party's Confidential Information from any such proposed publication or presentation. Each Party will comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any publication. Disputes concerning publication shall be resolved by the JSC.

16.6.3 **Publications Regarding Degrader Platform**. Notwithstanding anything to the contrary in this Section 16.6.3, Kymera may, at any time during the Term, make academic, scientific or medical publications or academic, scientific or medical public presentations specific to the Degrader Platform and containing no information specific to a Collaboration Target, any Collaboration Compound, Collaboration Candidate or Licensed

Product Directed Against such Collaboration Target in the applicable Field or any activities conducted pursuant to this Agreement with respect to such Collaboration Target; *provided* that, if such publication or presentation could reasonably be expected to adversely impact Sanofi's ability to Prosecute and Maintain the Sanofi Foreground Patents, then at least [***] prior to any such publication or presentation, Kymera will convene a meeting of the JPC to discuss the matter and implement an appropriate course of action, and upon Sanofi's request, Kymera will delay such publication or presentation to allow for at least [***] for Sanofi to prepare and file patent applications.

ARTICLE 17
GOVERNMENTAL APPROVALS; CLOSING CONDITION

17.1 **HSR Clearance**. The Parties acknowledge and agree that (a) the Parties filed their respective pre-merger notification and report forms with respect to the Original Agreement with the United States Federal Trade Commission and the United States Department of Justice pursuant to the HSR Act, and (b) the waiting period under the HSR Act expired as of 11:59 pm on August 10, 2020.

17.2 **Closing Condition**. Upon the terms and conditions set forth herein, at the Closing, the Original Agreement is amended and restated in its entirety and replaced with, and superseded by, this Agreement; provided that any activities conducted under the Original Agreement shall be deemed to have been conducted under this Agreement. The closing of this Agreement (the "**Closing**") will take place on the first Business Day after Kymera's receipt of Sanofi's Phase 2 Election Notice attached hereto as Exhibit E (such date, the "**Restatement Effective Date**"). In furtherance of the foregoing, during the period between the Restatement Execution Date and the Restatement Effective Date, the Original Agreement will continue to govern the Parties' relationship in accordance with its terms. [***]. [***].

ARTICLE 18
MISCELLANEOUS

18.1 **Assignment**. This Agreement will not be assignable by either Party to any Third Party without the written consent of the non-assigning Party. Notwithstanding the foregoing, either Party may, subject to the terms of this Agreement (including Section 10.8), assign this Agreement or its rights and obligations under this Agreement, without the written consent of the other Party, to an Affiliate that agrees in writing to be bound by the terms of this Agreement or to a Third Party that acquires all or substantially all of the business or assets of such Party to which this Agreement relates (whether by merger, reorganization, acquisition, sale or otherwise), and agrees in writing to be bound by the terms of this Agreement; *provided* that, in the case of an assignment to an Affiliate, the assigning Party shall remain fully liable for the performance of its obligations under this Agreement by such Affiliate. The assigning Party will promptly notify the other Party in writing of any permitted assignment or transfer under the provisions of this Section 18.1. This Agreement will be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein will be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 18.1 will be null and void.

18.2 **Force Majeure**.

18.2.1 Subject to Section 18.2.2, each Party will be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by Force Majeure and the nonperforming Party promptly provides written notice of the Force Majeure to the other Party. Such excuse will continue for so long as the condition constituting a Force Majeure continues, on the condition that the nonperforming Party continues to use Commercially Reasonable Efforts to remove or mitigate the Force Majeure and resume performance of its obligations under this Agreement.

18.2.2 For clarity, Sanofi and Kymera acknowledge and agree that either Party's ability to perform its obligations under this Agreement may be affected by [***].

18.3 **Representation by Legal Counsel**. Each Party represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, no presumption will exist or be implied against the Party that drafted such terms and provisions.

18.4 **Notices**. All written notices which are required or permitted hereunder will be in writing and sufficient if delivered personally or sent by nationally-recognized overnight courier, addressed as follows:

If to Sanofi:

Genzyme Corporation
450 Water Street
Cambridge, MA 02141
Attention: [***], Global Business Development • Sanofi Partnering
Email: [***]@sanofi.com

with a copy (which will not constitute notice) to:

450 Water Street
Cambridge, MA 02141
Attention: [***], Head of Legal Global Functions
Email (to each of the following): [***]@sanofi.com;
[***]@sanofi.com

If to Kymera:

Kymera Therapeutics, Inc.
Attn: Chief Executive Officer
200 Arsenal Yards Blvd
Watertown, MA 02472

with a copy (which will not constitute notice) to:

Goodwin Procter LLP
Attn: Sarah Solomon
100 Northern Avenue
Boston, MA 02210

or to such other address as the Party to whom written notice is to be given may have furnished to the other Party in writing in accordance herewith. In addition, each Party will deliver a courtesy copy to the other Party's Alliance Manager concurrently with such notice. Any such written notice will be deemed to have been given and received by the other Party: (a) when delivered if personally delivered; or (b) on receipt if sent by overnight courier.

18.5 **Amendment**. No amendment, modification or supplement of any provision of this Agreement will be valid or effective unless made in writing and signed by a duly authorized officer of each of Sanofi and Kymera. For clarity, references in this Agreement to a "written acknowledgement" will not be deemed to be an amendment, modification or supplement of this Agreement.

18.6 **Waiver**. No provision of this Agreement will be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party. The waiver by either Party of any breach of any provision hereof by the other Party will not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

18.7 **Severability**. If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same will not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement will be construed in such fashion as to maintain its existence, validity and enforceability to the greatest extent possible. In any such event, this Agreement will be construed as if such clause of portion thereof had never been contained in this Agreement, and there will be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by Applicable Law.

18.8 **Descriptive Headings**. The descriptive headings of this Agreement are for convenience only and will be of no force or effect in construing or interpreting any of the provisions of this Agreement.

18.9 **Export Control**. This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States of America or other countries that may be imposed upon or related to Kymera or Sanofi from time to time. Each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate Governmental Authority.

18.10 **Governing Law**. This Agreement, and all claims arising under or in connection therewith, will be governed by and interpreted in accordance with the substantive laws of The State of New York, without regard to conflict of law principles thereof.

18.11 **Jurisdiction; Venue; Service of Process**. Except as otherwise *provided* in Section 18.12.3, (a) each Party irrevocably submits to the exclusive jurisdiction of (i) the courts of the State of New York located in New York, NY, or (ii) the United States District Court for the Southern District of New York, for the purposes of any actions, suits and proceedings (collectively, "**Actions**") arising out of this Agreement (except for government agency actions to adjudicate registered intellectual property rights, e.g., post-grant proceedings at the United States Patent and Trademark Office or other foreign equivalent proceedings), (b) each Party agrees to commence any such Action either in the United States District Court for the Southern District of New York or if such Action may not be brought in such court for jurisdictional reasons, in the courts of the State of New York located in New York, NY, and (c) each Party irrevocably and unconditionally waives any objection to the laying of venue of any Action arising out of this Agreement in (i) the courts of the State of New York located in New York, NY, or (ii) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Action brought in any such court has been brought in an inconvenient forum. Each of the Parties agrees that process may be served upon it in the manner specified in Section 18.4 and irrevocably waives and covenants not to assert or plead any objection which it might otherwise have to such jurisdiction, or to such manner of service of process.

18.12 **Dispute Resolution**. If a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith (a "**Dispute**"), it will be resolved pursuant to Section 9.9 or this Section 18.12, as applicable.

18.12.1 **Informal Dispute Resolution; Escalation to Executive Officers**. In the event of any Dispute, the Parties will first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves. If, after [***] from receipt of the written notice of a Dispute, such Dispute has not been resolved on an informal basis, either Party may refer any Dispute to the Executive Officers of the Parties by delivering written notice to the other Party, who will confer in good faith on the resolution of the issue for a [***] period following receipt of such written notice. If any Dispute is not resolved within such [***] period by the Executive Officers, each Party may, at its sole discretion, seek resolution of such Dispute in accordance with Section 18.12.2. Notwithstanding the foregoing, a matter that was subject to Section 9.9 will not also be subject to this Section but will otherwise be subject to Section 18.11 and all other provisions of this Section 18.12.

18.12.2 **Jury Trial**. EXCEPT AS LIMITED BY LAWS, EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

18.12.3 **Equitable Relief**. Notwithstanding the foregoing in this Section 18.12, nothing contained in this Agreement will in any way limit or preclude a Party from, at any time, seeking or obtaining equitable relief hereunder, whether preliminary or permanent, including a temporary or permanent restraining order, preliminary or permanent injunction, specific performance or any other form of equitable relief, from any United States court of competent jurisdiction if necessary to protect the interests of such Party. Each Party agrees that its unauthorized release of the other Party's Confidential Information or its breach of Sections 10.6, 10.7 or 10.8 of this Agreement will cause irreparable damage to the other Party for which recovery of damages would be inadequate, and that such other Party will be entitled to obtain timely injunctive relief with respect to such breach, without the need to show irreparable harm or the inadequacy of monetary damages as a remedy, and without the requirement of having to post bond or other security, as well as any further relief that may be granted by a court of competent jurisdiction.

18.12.4 **Tolling**. The Parties agree that all applicable statutes of limitation and time-based defenses (such as estoppel and laches), as well as all time periods in which a Party must exercise rights or perform obligation hereunder, will be tolled once the dispute resolution procedures set forth in this Section 18.12 have been initiated and for so long as they are pending, and the Parties will cooperate in taking all actions reasonably necessary to achieve such a result. Further, with respect to any time periods that have run during the pendency of the Dispute, the applicable Party will have a reasonable period of time or any specific timeframe established by the tribunal's decision to exercise any rights or perform any obligations affected by the running of such time periods.

18.12.5 **Certain IP Disputes**. In the event that a Dispute arises with respect to the validity, scope, enforceability, inventorship or ownership of any Patent, trademark or other intellectual property rights and such Dispute cannot be resolved in accordance with Section 18.12.1, unless otherwise agreed by the Parties in writing, either Party may initiate litigation in a court of competent jurisdiction in the relevant jurisdiction, notwithstanding Sections 18.10 and 18.11.

18.12.6 **Other Dispute Resolution Mechanisms**. Notwithstanding anything to the contrary herein, this Section 18.12 will not apply with respect to (a) disputes arising under Section 9.9.2(b)(iii) that are expressly subject to the R&D Expert dispute resolution procedures set forth on Schedule 9.9.2(b)(iii), (b) disputes arising under Section 9.9.2(b)(iv) that are expressly subject to the arbitration set forth on Schedule 9.9.2(b)(iv), and (c) disputes arising under Section 9.9.2(b)(v) that are expressly subject to the "baseball" arbitration set forth on Schedule 9.9.2(b)(v).

18.13 **Entire Agreement**. Subject to Section 17.2, as of the Closing, this Agreement (together with all schedules and exhibits attached hereto) constitutes and contains the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof, including the Original Agreement and the CDA (which, with respect to the CDA, was superseded and replaced in its entirety as of the Original Agreement Effective Date).

18.14 **Independent Contractors**. Both Parties are independent contractors under this Agreement. Nothing contained herein will be deemed to create an employment, agency, joint venture or partnership relationship between the Parties or any of their agents or employees, including for U.S. federal income and other applicable tax purposes, or any other legal arrangement that would impose liability upon one Party for the act or failure to act of the other Party. Neither Party will have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

18.15 **Interpretation**. Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words "include," "includes" and "including" will be deemed to be followed by the phrase "without limitation," (c) the word "will" will be construed to have the same meaning and effect as the word "shall," (d) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any Person will be construed to include the Person's successors and assigns, (f) the words "herein," "hereof" and "hereunder," and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Articles, Sections or Schedules will be construed to refer to Articles, Sections or Schedules of this Agreement, and references to this Agreement include all Schedules hereto, (h) except as otherwise expressly set forth herein, provisions that require that a Party, the Parties or any committee hereunder "agree," "consent" or "approve" or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (i) references to any specific law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, (j) any action or occurrence deemed to be effective as of a particular date will be deemed to be effective as of 11:59 PM ET on such date and (k) the term "or" will be interpreted in the inclusive sense commonly associated with the term "or" (and/or). Unless otherwise specified, deadlines within which any payment is to be made or act is to be done within or following a specified time period after a date will be calculated by excluding the day, Business Day, month or year of such date, as applicable, and including the day, Business Day, month or year of the date on which the period ends. Whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment will be made or action taken on the next Business Day following such day to make such payment or do such act. The preamble to this Agreement and the descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of this Agreement or of such Articles or Sections.

18.16 **No Third Party Rights or Obligations**. No provision of this Agreement will be deemed or construed in any way to result in the creation of any rights or obligations in any Person not a Party to this Agreement.

18.17 **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

18.18 **Counterparts**. This Agreement may be executed in two (2) counterparts, each of which will be an original and both of which will constitute together the same document. Counterparts may be signed and delivered by digital transmission (*e.g.*, .pdf), each of which will be binding when received by the applicable Party.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their representatives thereunto duly authorized as of the Restatement Execution Date.

GENZYME CORPORATION	**KYMERA THERAPEUTICS, INC.**
By: _____	By: _____
Name:	Name:
Title:	Title:

Exhibit A

Terms and Conditions of Development Cost Sharing

[***]

Exhibit B

Terms and Conditions of Co-Promotion Agreement

[***]

Exhibit C

Terms and Conditions of Cost/Profit Sharing Agreement

[***]

Exhibit D

Kymera Press Release
Exhibit E

Sanofi's Form of Phase 2 Election Notice

Date: [_____]

To: Kymera Therapeutics, Inc.
Attn: Chief Executive Officer
200 Arsenal Yards Blvd
Watertown, MA 02472
with a copy (which will not constitute notice) to:
Goodwin Procter LLP
Attn: Sarah Solomon
100 Northern Avenue
Boston, MA 02210

By [Email]

Re: Sanofi Phase 2 Election Notice

Dear Ladies and Gentleman,

[***]

Sincerely,

Genzyme Corporation

_____
Name:[ ]
Title: [ ]

CONFIDENTIAL
Exhibit 10.12

SECOND AMENDMENT TO MASTER COLLABORATION AGREEMENT

THIS SECOND AMENDMENT TO MASTER COLLABORATION AGREEMENT (this "**Second Amendment**") is made and entered into as of October 21, 2021 (the "**Second Amendment Effective Date**"), by and between and **Vertex Pharmaceuticals Incorporated** ("**Vertex**") and **Kymera Therapeutics, Inc.** ("**Company**"), and amends that certain Master Collaboration Agreement (the "**Agreement**"), dated as of May 9, 2019 by and between Vertex and Company, as amended by that certain First Amendment to Master Collaboration Agreement, dated as of August 27, 2020. All capitalized terms used, but not otherwise defined, in this Second Amendment shall have the meaning given to them in the Agreement.

WHEREAS, pursuant to Section 13.6 of the Agreement, the Parties wish to amend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Vertex and Company hereby agree as follows:

1. Amendments.

a. Pursuant to Section 2.3.1 of the Agreement, the Parties agree to substitute the Reserved Target, [***], for the Collaboration Target, [***], as a Collaboration Target. As of the Second Amendment Effective Date, (a) [***] shall be a Collaboration Target and cease to be a Reserved Target, and (b) [***] shall be a Terminated Target and cease to be a Collaboration Target. As such, Schedule 1.35 and Schedule 1.178 shall be deleted and replaced in their entirety with such schedules as set forth on Exhibit A attached hereto.

b. A new Section 2.11 is hereby added following Section 2.10 as follows:

2.11 **Early Research for [***]**.

2.11.1. **[***] Initial Research**. Notwithstanding anything to the contrary in this Agreement, the initial purpose of the Collaboration Program for the Collaboration Target, [***], shall be the generation of a Collaboration Compound directed against [***] that meets the criteria set forth on Exhibit B (a "**[***] Degrader**"). Following the Second Amendment Effective Date, Company shall promptly prepare and provide to Vertex an initial Research Plan for [***]; *provided* that, notwithstanding the requirements of Research Plans as set forth in Section 2.3.1, such initial Research Plan for [***] shall be limited to a high-level description of the activities Company anticipates are reasonably necessary to generate a [***] Degrader within [***] months of the Second Amendment Effective Date rather than the activities to identify a Candidate Drug (such Research Plan, the "**[***] Early Research Plan**"). Vertex shall provide one or more Vertex Components for use in the Collaboration Program for [***].

2.11.2 **Target Validation**. If Company identifies a [***] Degrader in connection with the activities contemplated by the [***] Early Research Plan, it shall promptly provide notice to Vertex and provide any supporting data regarding such [***] Degrader reasonably requested by Vertex and in the possession and control of Company*; provided that* Company shall in no event be required to conduct any new or additional Research or other activities to generate any such additional information or records. Thereafter, Vertex shall prepare and provide to Company a work plan for its conduct of a target validation experiment in [***] using such [***]Degrader and shall consider any comments from Company on such work plan in good faith (such experiment, the "**Validation Experiment**" and such work plan, the "**Validation Experiment Work Plan**"). Vertex will use Commercially Reasonable Efforts to perform the Validation Experiment in accordance with the Validation Experiment Work Plan. Company shall provide Vertex with the [***] Degrader in such quantities as reasonably necessary for the Validation Experiment as set forth in the Validation Experiment Work Plan. Upon completion of the Validation Experiment, Vertex will provide a summary of the results to Company including an assessment of whether such results have achieved the success criteria set forth on Exhibit C(such achievement, "**Target Validation**"). If Target Validation is achieved, (a) the purpose of the Collaboration Program for [***] shall be for the generation of Candidate Drug(s) directed against [***], (b) Company shall promptly prepare and provide to Vertex a Research Plan for [***] meeting the criteria set forth in Section 2.2.1, including, for clarity, a high-level description of the activities Company anticipates are reasonably necessary to identify a Candidate Drug directed against [***] during the Research Term and shall consider any comments from Vertex on such Research Plan in good faith and (c) Company shall promptly commence the Collaboration Program for [***] in accordance with the terms of the Agreement.

2.11.3 **Failure to Identify [***] Degrader or Achieve Target Validation**. If (a) Company fails to identify a [***] Degrader within [***] months of the date hereof (or such later date as the Parties may mutually agree) or (b) Target Validation is not achieved by the results of the Validation Experiment, (i) Company shall cease all activities under the Collaboration Program for [***] and (ii) upon mutual agreement of the Parties, the Parties shall substitute a Reserved Target, or another mutually-agreed Target, for [***] as a Collaboration Target.

2.11.4 **[***]-Related Activities and Payments**. For the avoidance of doubt, all activities performed by the Parties under the [***] Early Research Plan and Validation Experiment Work Plan shall be deemed activities performed under this Agreement. In consideration for the activities to be performed by Company under the [***] Early Research Plan, Vertex will pay to Company the payments as set forth in Section 7.14 of this Agreement.

c. A new Section 7.14 is hereby added following Section 7.13 as follows:

7.14 **[***]-Related Payments**. Notwithstanding anything to the contrary in the Agreement, (a) Development Milestone Number 1 ([***]) as set forth in Section 7.5.1 of this Agreement shall not be payable with respect to [***] and (b) in addition to the amounts that may become payable by Vertex to Company pursuant to Sections 7.4, 7.5 and 7.6 under this Agreement for the [***] Collaboration Program, Vertex will pay to Company the following:

7.14.1 **Additional [***] Milestone Payments**. In addition to the Development Milestones set forth in Section 7.5.1 of this Agreement (excluding Development Milestone Number 1), Vertex will pay to Company the following one-time milestone payments set forth in this Section 7.14.1 upon the achievement of the relevant milestone events with respect to the Collaboration Target, [***].

[***] Milestone Event	Milestone Payment
[***]	$[***]
[***]	$[***]

2. Miscellaneous. Except to the extent expressly amended hereby, the terms and provisions of the Agreement shall remain in full force and effect. Sections 13.11 and 13.19 of the Agreement are hereby incorporated herein by reference. This Second Amendment, together with the Agreement as amended hereby, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof.

[*Signature Page Follows*]

In Witness Whereof, the Parties have by duly authorized persons executed this Second Amendment to Master Collaboration Agreement as of the Second Amendment Effective Date.

VERTEX PHARMACEUTICALS INCORPORATED	**KYMERA THERAPEUTICS, INC.**
By: /s/ Mark Bunnage	By: /s/ Nello Mainolfi
Name: Mark Bunnage	Name: Nello Mainolfi
Title: SVP Head of Research	Title: CEO

CONFIDENTIAL
Exhibit 10.12

Exhibit A
Collaboration Targets and Reserved Targets

Schedule 1.35
Collaboration Targets

Name	ENSEMBL GENE ID
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Schedule 1.178
Reserved Targets

Name	ENSEMBL GENE ID
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Exhibit B

[***] Degrader Criteria

[***]

- [***]
- [***]

[***]

- [***]
- [***]

[***]

- [***]
- [***]

Exhibit C

Target Validation Success Criteria

- [***]
- [***]
- [***]

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made as of this 20th day of December, 2021, between **ARE-MA REGION NO. 75, LLC**, a Delaware limited liability company ("**Landlord**"), and **KYMERA THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**").

Building: The to-be-constructed building in the Project to be located at The Arsenal on the Charles, Watertown, Massachusetts 02472 (also known as Building 1), in which the Premises are located.

Premises: That portion of the Project, consisting of (i) the entire rentable area of the second, third and fourth floors of the Building (inclusive of the fourth floor terrace) (but exclusive of Common Areas), (ii) certain storage space on the first floor of the Building and (iii) certain mechanical space on the penthouse floor of the Building, and containing in the aggregate approximately 100,624 rentable square feet, as determined by Landlord, as shown on **Exhibit A**, consisting of (a) approximately 33,074 rentable square feet on the second floor of the Building, (b) approximately 33,074 rentable square feet on the third floor of the Building, (c) approximately 32,647 rentable square feet on the fourth floor of the Building (inclusive of the fourth floor terrace), (d) approximately 1,588 rentable square feet of storage space on the first floor of the Building, and (e) approximately 241 rentable square feet of mechanical space on the penthouse floor of the Building, subject to adjustment from time to time in accordance with Sections 5 and 45(o) hereof.

Project: The real property on which the Building in which the Premises are located, together with all improvements thereon and appurtenances thereto as described on **Exhibit B**.

Rentable Area of Premises: 100,624 sq. ft., subject to adjustment from time to time in accordance with Sections 5 and 45(o) hereof.

Tenant acknowledges that the rentable square footage amounts set forth on the first page of this Lease are based on initial estimates from Landlord utilizing the BOMA Modified measurement standard. Accordingly, within sixty (60) days following the Commencement Date, Landlord may, but shall not be obligated to, calculate the rentable square footage of the Premises and Building pursuant to BOMA Modified (the "**Initial Remeasurement**"), and deliver to Tenant (A) a statement setting forth any changes to the (i) rentable square footage of the Premises, the Building, or the Project, (ii) the Base Rent, (iii) the Building's Share of the Project, (iv) the Tenant Improvement Allowance and the Supplemental Tenant Improvement Allowance, and (v) Tenant's Share of Operating Expenses, resulting from such changes to or remeasurement of the Premises, the Building, or the other buildings with the Project, and (B) back-up calculations showing any changes to the rentable square footage of the Premises, the Building, or the Project. Tenant shall execute and return an acknowledgement prepared by Landlord of: (1) the rentable square footage of the Premises, the Building, or the Project, (2) the Base Rent, (3) the Building's Share of the Project, (4) the Tenant Improvement Allowance and the Supplemental Tenant Improvement Allowance, and (5) Tenant's Share of Operating Expenses, resulting from Landlord's Initial Remeasurement within 7 business days following Landlord's request. The failure of Tenant to do so shall be deemed Tenant's unconditional and irrevocable acknowledgement and agreement of the

facts contained therein. If there is any disagreement with respect to the facts contained in such acknowledgement of Landlord's Initial Remeasurement, then Tenant must raise the same by written notice to Landlord within 7 business days of receipt of the statement in clause (A) or Tenant will have irrevocably waived the right to object. Following Landlord's timely receipt of such objection notice, the parties shall reasonably and in good faith discuss such matters; provided that any dispute will be resolved by Landlord's architect, whose determination of the rentable square footage of the Premises, the Building and the Project shall be conclusive, final and binding on Landlord and Tenant. Notwithstanding the foregoing, in no event shall the rentable square footage of the Premises be increased or decreased by more than 10,000 rentable square feet from that specified above (i.e., above 110,624 rentable square feet or below 90,624 rentable square feet) in connection with the Initial Remeasurement, unless such increase is the result of an implemented Change Request (as defined in the Work Letter) in which event the foregoing cap shall not apply. The Initial Remeasurement by Landlord shall not be considered in lieu of or a waiver of Landlord's other rights of remeasurement set forth in this Lease.

Rentable Area of Building: 120,454 sq. ft., subject to adjustment from time to time in accordance with Sections 5 and 45(o) hereof and in accordance with the definition of Rentable Area of Premises.

Rentable Area of Project: 1,132,958 sq. ft., subject to adjustment from time to time in accordance with Sections 5 and 45(o) hereof and in accordance with the definition of Rentable Area of Premises.

Building's Share of Project: 10.63%, subject to adjustment from time to time in accordance with Sections 5 and 45(o) hereof and in accordance with the definition of Rentable Area of Premises.

Tenant's Share of Operating Expenses: 83.54%, subject to adjustment from time to time in accordance with Sections 5 and 45(o) hereof and in accordance with the definition of Rentable Area of Premises.

Base Rent: $754,680 per month [initially based on $90/RSF annually], subject to adjustment pursuant to Section 4 hereof.

Rent Adjustment Percentage: Three percent (3%)

Base Rent Commencement Date: 2 months following the Commencement Date.

Security Deposit: $4,528,080

Target Commencement Date: November 30, 2023

Base Term: Beginning on the Commencement Date and ending 134 months from the first day of the first full month of the Term (as defined in Section 2) hereof.

Permitted Use: General office, laboratory, small-scale assembly in support of laboratory and life science research and development, and life sciences research and development uses

consistent with the character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

Tenant shall not permit (a) the second floor of the Premises to contain less than 35% of lab space or use nor less than 35% of office space or use, (b) the fourth floor of the Premises to contain less than 20% lab space and use, or (c) the third and fourth floors of the Premises, in the aggregate, to contain less than 35% lab space and use.

Address for Rent Payment: Landlord's Notice Address:

ARE-MA Region No. 75, LLC c/o Alexandria Real Estate Equities, Inc.
JP Morgan Chase 26 North Euclid Avenue
P.O. Box 975383 Pasadena, CA 91101
Dallas, TX 75397-5383 Attention: Corporate Secretary

Tenant's Notice Address:

Before the Commencement Date:

KYMERA THERAPEUTICS, INC.
200 Arsenal Yards Blvd., Suite 230
Watertown, MA 02472
Attention: Bruce N. Jacobs, CFO

After the Commencement Date:

KYMERA THERAPEUTICS, INC.
The Arsenal on the Charles, Building 1
Watertown, MA 02472
Attention: Bruce N. Jacobs, CFO

And with a copy to:

Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02210
Attention: William D. Collins, Esq.

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

EXHIBIT A - PREMISES DESCRIPTION
EXHIBIT B - DESCRIPTION OF PROJECT
EXHIBIT C - WORK LETTER
EXHIBIT D - ACKNOWLEDGEMENT OF COMMENCEMENT DATE
EXHIBIT E - RULES AND REGULATIONS
EXHIBIT F - TENANT'S PERSONAL PROPERTY
EXHIBIT G – CONTROL AREAS
EXHIBIT H – DESIGNATED ROOFTOP AREA

1. **Lease of Premises**. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Landlord and Tenant are each a "**Party**" and collectively the "**Parties**."

The portions of the Project which from time to time are for the non-exclusive use of Tenant and one or more other tenants of the Project or other third parties are collectively referred to herein as the "**Common Areas**." The Common Areas include, without limitation, to the extent any exist from time to time and are generally available to all tenants: (a) the common lobbies, hallways, stairways, and elevators providing access to the Premises, (b) the common chases and conduits, mechanical and utility rooms, and trash enclosures located within the Building,(c) the common loading areas located in and serving the Building, and (d) pedestrian sidewalks, and landscaped areas serving the Project. The Common Areas include, without limitation, the various amenities, amenities facilities, and buildings or other improvements containing the same located in, on or otherwise serving the Project, if any, as may exist from time to time and be available for use by Tenant and one or more other tenants of the Project or other third parties ("**Amenities**"). Amenities may include, by way of example, things such as business centers, conference centers, restaurants, or gyms and other athletic facilities. It is understood that Landlord may contract with or arrange for affiliates or third parties to provide Amenities rather than providing the same itself. In either case, the cost thereof will be included in Operating Expenses (or paid by Tenant to such affiliates or third parties). Notwithstanding anything contained in this Lease to the contrary and for the avoidance of doubt, however, Landlord has no obligation to provide, and if provided has no obligation to continue to provide, any Amenities or other Common Areas, other than reasonable access to the Premises and any parking required by the terms of this Lease to be available to Tenant. Tenant shall have access to the Premises and the Building twenty-four (24) hours per day during the Term of this Lease, except in the case of emergencies or Force Majeure (as defined in Section 34 below), as the result of governmental action or Legal Requirements, the performance by Landlord of any installation, maintenance or repairs, or other work, any other temporary interruptions, and otherwise subject to the terms of this Lease.

2. **Delivery; Acceptance of Premises; Commencement Date**. Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with Landlord's Work Substantially Completed ("**Delivery**" or "**Deliver**"). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within 60 days following the Target Commencement Date for any reason other than Force Majeure delays and Tenant Delays, then Tenant shall be entitled to a day for day abatement of Base Rent for each day that the delay in delivery continues from and including the 60th day after the Target Commencement Date (as such Target Commencement Date is extended for Force Majeure delays and Tenant Delays) through the earlier of Delivery or the 120th day after the Target Commencement Date (as such Target Commencement Date is extended for Force Majeure delays and Tenant Delays). If Landlord does not Deliver the Premises within 120 days following the Target Commencement Date for any reason other than Force Majeure delays and Tenant Delays, then Tenant shall be entitled to an abatement of Base Rent for two days for each day that the delay in delivery continues for the period from the 120th day after the Target Commencement Date (as such Target Commencement Date is extended for Force Majeure delays and Tenant Delays) until the earlier of Delivery or the 195th day after the Target Commencement Date (as such Targe Commencement Date is extended for Force Majeure delays and Tenant Delays). If Landlord does not Deliver the Premises within 195 days of the Target Commencement Date for any reason other than Force Majeure delays and Tenant Delays, then this Lease may be terminated by Tenant by written notice (given no later than 10 business days after the expiration of the 195 day period (as so extended)) to Landlord, and if so terminated by Tenant: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), and any prepaid Base Rent shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms "**Landlord's Work**," "**Tenant's Work**," "**Tenant Delays**" and "**Substantially Completed**" shall have the meanings set forth for such terms in the Work Letter. If Tenant does not elect to void this Lease within 5 business days of the lapse of such 195-day period, such right to void this Lease shall be waived

and this Lease shall remain in full force and effect. Notwithstanding anything to the contrary contained herein and for the avoidance of any doubt, the termination rights provided for in this paragraph shall terminate on the Commencement Date.

The "**Commencement Date**" shall be the earliest of: (i) the date Landlord Delivers the Premises to Tenant; (ii) the date Landlord could have Delivered the Premises but for Tenant Delays; and (iii) the date Tenant conducts any business in the Premises or any part thereof. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date, the Base Rent Commencement Date, and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D**; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above on the first page of this Lease, and (if timely and properly exercised) the Extension Term that Tenant may elect pursuant to Section 40 hereof.

Subject to the provisions of Section 6 of the Work Letter, Landlord shall permit Tenant access to the Premises at such times set forth in Section 6 of the Work Letter prior to the Commencement Date for Tenant's installation and setup of furniture, fixtures and equipment ("**FF&E Installation**"), provided that such FF&E Installation is coordinated with Landlord, and Tenant complies with this Lease and all other reasonable restrictions and conditions Landlord may impose. All such access shall be during normal business hours. Any access to the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent or Operating Expenses (as defined in Section 5).

Except as set forth in the next paragraph, Section 13 hereof, or the Work Letter: (i) Tenant shall accept the Premises in their condition as of the Commencement Date; (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, including the obligation to pay Base Rent and Operating Expenses.

For the period of twelve months after the Commencement Date, Landlord shall, at its sole cost and expense (which shall not constitute an Operating Expense), be responsible for any repairs that are required to be made to the Building or Building Systems (as defined in Section 13), unless Tenant or any Tenant Party was responsible for the cause of such repair, in which case Tenant shall pay the cost of such repair.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

3. **Rent**.

(a) **Base Rent**. The first month's Base Rent (i.e., the Base Rent due for the first full month following the Base Rent Commencement Date) and the Security Deposit shall be due and payable on delivery of an executed copy of this Lease to Landlord. Commencing on the Base Rent Commencement Date, Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base

Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

In addition to the Tenant Improvement Allowance (as defined in the Work Letter), Landlord shall, if Tenant so requests in writing and subject to the terms of the Work Letter, make available to Tenant the Supplemental Tenant Improvement Allowance (as defined in the Work Letter). Commencing on the Commencement Date and continuing thereafter on the first day of each month during the Base Term, Tenant shall pay the amount necessary to fully amortize the portion of the Supplemental Tenant Improvement Allowance actually funded by Landlord, if any, as Additional Rent in equal monthly payments with interest at a rate of 8% per annum over the Base Term, which interest shall begin to accrue on the Commencement Date. Any of the Supplemental Tenant Improvement Allowance and applicable interest remaining unpaid as of the expiration or earlier termination of the Lease shall be paid to Landlord in a lump sum at the expiration or earlier termination of this Lease.

(b) **Additional Rent**. In addition to Base Rent, commencing on the Commencement Date, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of Operating Expenses and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments**. Base Rent shall be increased on each annual anniversary of the Base Rent Commencement Date during the Term of this Lease (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to such Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments**. Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the "**Annual Estimate**"), which may be revised by Landlord from time to time during such calendar year. During each month of the Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1/12th of Tenant's Share of Operating Expenses of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term "**Operating Expenses**" means: (A) all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the use, ownership, operation, management, maintenance and repair of the Building, including, without duplication, Taxes (as defined in Section 9), capital repairs, improvements and replacements amortized over the lesser of 10 years and the useful life of such capital items, the costs of Landlord's third-party property manager (not to exceed 3% of the then-applicable Base Rent (which, during the period between the Commencement Date and the Base Rent Commencement Date will be calculated based on the Base Rent rate payable on the Base Rent Commencement Date, and thereafter will be calculated based on the actual Base Rent)), or if there is no third-party property manager (or Landlord elects not to pass through the cost of the third-party property manager), administrative rent in the amount of 3% of the then-applicable Base Rent (which, during the period between the Commencement Date and the Base Rent Commencement Date will be calculated based on the Base Rent rate payable on the Base Rent Commencement Date, and thereafter will be calculated based on the actual Base Rent)), and the cost of upgrades to the Building or enhanced services provided at the Building that are intended to encourage social distancing (also referred to as physical distancing), promote and protect health and physical well-being, and/or prevent or limit the spread or transmission of communicable diseases and/or viruses of any kind or nature, including, without limitation, COVID-19 (collectively, "**Infectious Conditions**"), and (B) the Building's Share of Project of all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with

respect to the Project (other than those costs and expenses specific to the Building or any other building not containing Amenities), including, without duplication, costs and expenses related to the use, ownership, operation, management, maintenance, and repair of the Amenities and other Common Areas (including for the avoidance of doubt, payment or reimbursement by Landlord to affiliates of Landlord or third parties for market rent paid by such affiliates or third parties to Landlord for Amenity space and reduced rent or other concessions or subsidies provided to restaurants or others providing Amenities), Taxes, capital repairs, improvements and replacements amortized over the lesser of 10 years and the useful life of such capital items, and the cost of upgrades to the Project or enhanced services provided at the Project that are intended to encourage social distancing (also referred to as physical distancing), promote and protect health and physical well-being, and/or prevent or limit the spread or transmission of Infectious Conditions. The only Amenities for which a separate use fee may be charged to Tenant in addition to inclusion of the costs and expenses thereof in Operating Expenses are related to the use of any conference facility or fitness center (if a conference facility or fitness center is created and available). Landlord or its affiliates or third parties retained by Landlord may charge standard rates for usage of any conference facilities and services thereto. No membership fee will be charged for any fitness facility (or for basic offerings normally included in a membership fee), but Landlord or its affiliates or third parties retained by Landlord may charge a separate fee for additional services, if available, such as personal trainers or wellness clinics. Operating Expenses shall exclude only:

(i) the original construction costs of the Project (including the construction of any Common Areas and Amenities) and renovation prior to the date of this Lease and costs of correcting defects in such original construction or renovation;

(ii) capital expenditures for expansion of the Project or capital improvements that are not includable as set forth above;

(iii) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses (unless otherwise excluded under this Lease)) under any ground lease or other underlying lease of all or any portion of the Project;

(iv) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses as provided above in this Section 5);

(v) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(vi) legal and other expenses incurred in the negotiation or enforcement of leases;

(vii) costs of completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(viii) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(ix) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(x) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(xi) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(xii) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(xiii) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(xiv) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(xv) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(xvi) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(xvii) costs incurred in the sale or refinancing of the Project;

(xviii) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(xix) reserves for future expenditures;

(xx) costs or expense occasioned by condemnation that are recovered by Landlord in any condemnation award;

(xxi) costs reimbursed to Landlord under any warranty held by Landlord for the Building or the Project;

(xxii) costs arising from the gross negligence or willful misconduct of Landlord or its employees; and

(xxiii) any cost incurred to remove, test, or remediate the presence of Hazardous Materials (as defined in Section 30) in, on or about the Building or the Project for which Tenant is not responsible under this Lease.

"**Tenant's Share of Operating Expenses**" shall be the percentage set forth on the first page of this Lease as Tenant's Share of Operating Expenses as reasonably adjusted by Landlord from time to time

following changes to or remeasurement of the Premises, the Building or other buildings within the Project occurring from time to time. Any such remeasurement of a building within the Project shall be performed by Landlord in accordance with the Standard Method for Measuring Floor Area in Office Buildings as adopted by the Building Owners and Managers Association International (ANSI/BOMA Z65.1-2017), as customarily modified by Landlord for laboratory properties in the Cambridge/Watertown market, which includes, for the avoidance of doubt, a portion of the floor area for the Acid Neutralization System (as defined below) within the rentable square footage of the Premises ("**BOMA Modified**"). Landlord may equitably increase Tenant's Share of Operating Expenses for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant's Share of Operating Expenses, and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total of actual Operating Expenses and resulting Tenant's Share of Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If the actual Tenant's Share of Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant to Landlord as Rent within 30 days after delivery of such Annual Statement to Tenant. If, however, Tenant's payments of Operating Expenses for such year exceed the actual Tenant's Share of Operating Expenses for such year, Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due to Landlord. Landlord's and Tenant's obligations to pay any overpayments or deficiencies due pursuant to this paragraph shall survive the expiration or earlier termination of this Lease. The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 90-day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions about the accuracy of such statement (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have a nationally or regionally recognized independent public accounting firm, selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed) (the **"Independent Accountant"**), audit and/or review (the "**Independent Review**") of the Expense Information for the year in question. The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due to Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5%, then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Project is not at least 95% occupied on average during any year of the Term, any component of Operating Expenses that varies based upon occupancy for such year shall be computed as though the Project had been 95% occupied on average

during such year. Following the date that is 24 months after Landlord's delivery of an Annual Statement to Tenant, Tenant shall not be responsible for the payment of items of Operating Expenses not reflected in such Annual Statement, except for Taxes and Utilities for which Tenant is responsible under this Lease.

6. **Security Deposit**. Tenant shall deposit with Landlord, upon delivery of an executed copy of this Lease to Landlord, a security deposit (the "**Security Deposit**") for the performance of all of Tenant's obligations hereunder in the amount set forth on page 2 of this Lease, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the "**Letter of Credit**"): (i) in form and substance satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution satisfactory to Landlord (Landlord acknowledging that Silicon Valley Bank is an approved issuer), and (v) redeemable by presentation of a sight draft in the Commonwealth of Massachusetts, by overnight delivery or by facsimile.

If Tenant does not provide Landlord with a substitute or extended Letter of Credit complying with all of the requirements hereof at least 10 business days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit. Any cash proceeds of the Letter of Credit following a draw by the Landlord (the "**Cash Proceeds**") are property of the Landlord, and Tenant shall have no right in the Security Deposit or the Letter of Credit other than the right to a return of the Letter of Credit when both this Lease has terminated and Tenant's obligations under this Lease have been completely fulfilled as set forth herein.

The Security Deposit and the Letter of Credit and Cash Proceeds shall be held by Landlord without obligation for interest thereon as security for the performance of all of Tenant's obligations under this Lease. The Security Deposit and the Letter of Credit and the Cash Proceeds are not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of Default (as defined in Section 20), Landlord may use and apply all or part of the Security Deposit and the Letter of Credit and the Cash Proceeds, without notice to or any action by Tenant or any other person or entity, to pay delinquent payments due under this Lease, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Upon such use or application, Tenant shall have no right whatsoever to any amount so used or applied. Landlord's right to use and apply the Security Deposit and the Letter of Credit and the Cash Proceeds under this Section 6 includes the right to use and apply the Security Deposit and the Letter of Credit and the Cash Proceeds to pay future rent damages following the termination of this Lease pursuant to Section 21(c) below. Upon any use or application of all or any portion of the Security Deposit and the Letter of Credit or the Cash Proceeds permitted under this Lease, Tenant shall, within 5 business days following Landlord's written demand, pay Landlord the amount, or provide Landlord a replacement Letter of Credit meeting the foregoing criteria, that will restore the Security Deposit to its original amount. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit and the Letter of Credit and the Cash Proceeds shall be deemed to be applied first to the obligations of Tenant arising for periods prior to the filing of such proceedings. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. The Security Deposit and the Letter of Credit and the Cash Proceeds, after deducting therefrom all amounts to which Landlord has used or applied in accordance with this Lease, or to which Landlord is entitled under the provisions of this Lease, shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 90 days after the expiration or earlier termination of this Lease. For the avoidance of doubt, no portion of the Security Deposit and the Letter of Credit and the Cash Proceeds shall be returned to Tenant until both this Lease has terminated and Tenant's obligations under this Lease have been completely fulfilled as set forth herein.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either, at Landlord's election in its sole discretion and expense (other than any transfer or processing fees, which shall be paid by Tenant), (a) transfer any Security Deposit and the Letter of Credit and the Cash Proceeds then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6 after deducting therefrom all amounts to which Landlord has used or applied in accordance with this Lease, or to which Landlord is entitled under the provisions of this Lease, or (b) return to Tenant any Security Deposit and the Letter of Credit and the Cash Proceeds then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit and the Letter of Credit and the Cash Proceeds to Tenant, Landlord shall have no further obligation with respect to the Security Deposit and the Letter of Credit and the Cash Proceeds, and, in the event of a transfer, Tenant's right to the return of the Security Deposit and the Letter of Credit and the Cash Proceeds shall apply solely against Landlord's transferee.

On the 3rd anniversary of the Base Rent Commencement Date (the "**Reduction Date**"), provided (i) this Lease shall be in full force and effect, (ii) Tenant is not in Default or monetary default under this Lease and (iii) no more than two Defaults have occurred since the date of this Lease, the Security Deposit shall be reduced to an amount equal to $3,018,720 (the "**Reduced Security Deposit**"). Subject to the foregoing conditions, on the Reduction Date, if Tenant provides Landlord with a replacement Letter of Credit in the amount of the Reduced Security Deposit and otherwise in accordance with the requirements of this Section 6, then Landlord shall return the original Letter of Credit then held by Landlord to Tenant promptly after Landlord's receipt of the original replacement Letter of Credit (or reasonably cooperate to amend the existing Letter of Credit pursuant to the foregoing provisions). If Landlord returns to Tenant any portion of the Security Deposit in accordance with this Section, then from and after the date such monies are returned to Tenant, the "Security Deposit" shall be deemed to be the Reduced Security Deposit for all purposes of this Lease. In no event shall any such return be construed or deemed as an admission by Landlord that Tenant has performed all of its covenants and obligations hereunder.

7. **Use**. The Premises shall be used solely for the Permitted Use set forth in the basic lease provisions on page 2 of this Lease, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants, requirements and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"), including, without limitation, (i) the Americans With Disabilities Act, 42 U.S.C. § 12101, *et seq.* (together with the regulations promulgated pursuant thereto, "**ADA**"), and (ii) all restrictions, requirements and provisions set forth in the record documents identified in Section 44 and/or imposed by Governmental Authorities (as defined in Section 9) having jurisdiction, including, without limitation, those related to the historical significance of, and historical activity on, the Project. Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord within 10 days following written demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord, and then in accordance with Landlord's reasonable rules and regulations therefor.

Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share of Operating Expenses as usually furnished for the Permitted Use.

Landlord shall, as an Operating Expense (except the same shall be at Tenant's expense to the extent such Legal Requirement is applicable by reason of Tenant's particular use of the Premises (as opposed to office and lab use generally)), make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements, including the ADA, to the extent such Legal Requirements are enacted subsequent to the date of this Lease (provided Landlord shall not be in default for failing to do so if such non-compliance does not have a material adverse effect on Tenant). Tenant, at Tenant's sole cost and expense, shall make any alterations or modifications to the Premises (in a manner approved by Landlord) that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA). Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all Claims arising out of or in connection with Legal Requirements to the extent arising from or related to Tenant's use or occupancy of the Premises or Tenant's Alterations, and Tenant shall indemnify, defend, hold and save Landlord and the Landlord Indemnified Parties (as defined below) harmless from and against any and all claims arising out of or in connection with the failure of the Premises to comply with any Legal Requirements to the extent arising out of Tenant's use or occupancy of the Premises, the Tenant Improvements, or the Tenant's Alterations.

Tenant acknowledges that Landlord may, but shall not be obligated to, seek to obtain Leadership in Energy and Environmental Design (LEED), WELL Building Standard, or other similar "green" certification ("**Green Standards**") with respect to the Project and/or the Premises, and Tenant agrees to reasonably cooperate with Landlord, and to provide such information and/or documentation as Landlord may reasonably request, in connection therewith (provided such cooperation does not materially increase Tenant's obligations or responsibilities or Tenant's rights pursuant to this Lease). Tenant agreeing however that such cooperation may include, Tenant complying with certain standards (i.e. to satisfy or meet the Green Standards) pertaining to the purchase of materials used in connection with any approved Alterations undertaken by Tenant in the Premises, the sharing of documentation pertaining to any such Alterations undertaken by Tenant in the Premises with Landlord, the sharing of information regarding utility consumption, the sharing of Tenant's billing information pertaining to trash removal and recycling related to Tenant's operations at the Project. Tenant shall have no responsibility for costs or expenses incurred by Landlord to initially obtain Green Standards, but Tenant hereby acknowledges that Landlord's costs or expenses incurred to maintain any obtained Green Standards shall be included as part of Operating Expenses.

8. **Holding Over**. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, but not more than 150% of the Base Rent due for the last month of the Term, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease, including the obligation to pay 100% of all Additional Rent due under this Lease, except that the monthly Base Rent shall be equal to 150% of the Base Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages; provided that, unless Landlord gave written notice to Tenant at least 30 days before the expiration of the Term that a subsequent tenant would be leasing the Premises or any part thereof and that Landlord reasonably anticipates holding

over, even for less than 30 days, is reasonably likely to impact Landlord's delivery schedule to such new tenant, Tenant shall be responsible for consequential damages only once Tenant's holding over exceeds 30 days. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. **Taxes**. Except as set forth below in this Section 9, Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder, or any estate, inheritance, succession, gift, franchise, transfer, documentary, mortgage recording, or capital stock taxes; except to the extent the same, however denominated are imposed in substitution for or addition to any Taxes payable hereunder as a result of any change in the manner of taxation of the ownership, operation, or leasing of real estate, in which case the same shall be deemed to be included within the definition of the term "Taxes." If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord within 30 days following written demand from Landlord. As of the date of this Lease, the Building is not a standalone tax parcel. Landlord shall allocate any Taxes applicable to a taxable lot among all buildings, including the Building, located on the assessors' lot on which the Building is located in a fair and equitable manner, as determined by Landlord.

10. **Parking**. Subject to all applicable Legal Requirements, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder (including, without limitation Landlord's rights set forth in Section 45(o)), Tenant shall have the right to park, at a rate of 2.0 cars per 1,000 rentable square feet of the Premises, in those areas of the Project designated by Landlord for non-reserved parking, subject to Landlord's rules and regulations but in any event free of charge to Tenant other than the inclusion of costs and expenses as Operating Expenses. Such parking shall be on a first-come-first-served, non-exclusive basis. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project. Landlord reserves the right, but not the obligation, to dictate specific locations of the Project that Tenant is permitted to use for its parking rights under this Section 10. If, at any time during the Term, the Project is subject to a transportation demand management plan ("**TDMP**") setting forth requirements related to the Project, Tenant (at its sole

cost and expense) shall comply with such TDMP. As of the date hereof, the Project is subject to that certain Transportation Demand Management Program dated June 2021 (as amended from time to time, the "**Existing TDMP**"). Tenant shall, at Tenant's sole cost and expense, for as long as the Existing TDMP remains applicable to the Project, comply with the Existing TDMP as applicable to the Project, including without limitation,: (i) offer a subsidized transportation benefit to all employees in accordance with the terms of the Existing TDMP; (ii) offer a subsidy to a bike share service to all employees in accordance with the terms of the Existing TDMP; (iii) implement a Commuter Choice Program and the MBTA's "Perq for Work" program (formerly known as the Corporate Pass Plan); (iv) discourage single-occupant vehicle ("**SOV**") use by its employees; (v) promote alternative modes of transportation and use of alternative work hours; (vi) at Landlord's request, meet with Landlord and/or its representatives to discuss transportation programs and initiatives; (vii) participate in annual surveys, monitoring transportation programs and initiatives at the Project; (viii) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the Existing TDMP; (ix) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Watertown during peak commuter hours; (x) offer an emergency ride home ("**ERH**") through the Transportation Demand Management Coordinator and Watertown Transportation Management Association (as defined in the Existing TDMP), or have its own ERH program, for all employees who commute by non-SOV mode at least 3 days a week; and (xi) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation.

11. **Utilities, Services**.

(a) **Utilities, Janitorial Services**. Landlord shall provide, subject to the terms of this Section 11, (i) facilities for tepid water, electricity, heat, light, power, sewer, and other utilities (including natural gas and fire sprinklers to the extent the Project is plumbed for such services) (collectively, "**Utilities**"), and (ii) refuse and trash collection and janitorial services for the Common Areas and, at Landlord's election, the Premises (collectively, "**Janitorial Services**"). The Utilities will be installed as set forth in the Work Letter. Landlord shall pay (except as otherwise expressly set forth herein), subject to Tenant's reimbursement obligation or inclusion of such costs as Operating Expenses, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon, as well as the cost for Janitorial Services. If any Utilities are not separately metered or check-metered as part of the Tenant Improvements, Landlord may cause such Utilities to be separately metered or check-metered at Landlord's expense. Landlord may cause any Utilities separately metered or check-metered to be charged directly to Tenant by the provider. Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term. Landlord may cause, at Tenant's expense, the Janitorial Services to be separately charged or charged directly to Tenant by the provider, in which case, Tenant shall pay directly to the Janitorial Services provider, prior to delinquency, any separately charged Janitorial Services. Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered or check-metered Utilities based upon consumption and all charges for Janitorial Services that are not separately charged, as reasonably determined by Landlord. No interruption or failure of Utilities or Janitorial Services, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use. To the extent such services are not provided by Landlord, Tenant shall be responsible for obtaining and paying for its own janitorial services for the Premises. Utilities shall be available to the Premises 24 hours per day, 7 days per week, except in the case of emergencies, as the result of Legal Requirements, the failure of any Utility provider to provide such Utilities, the performance by Landlord or any Utility provider of any installation, maintenance or repairs, or any other temporary interruptions.

(b) **Service Interruptions**. Notwithstanding anything to the contrary set forth herein, if (i) a stoppage of an Essential Service (as defined below) to the Premises shall occur and such stoppage is due solely to the gross negligence or willful misconduct of Landlord and not due in any part to any act or

omission on the part of Tenant or any Tenant Party or any matter beyond Landlord's reasonable control (any such stoppage of an Essential Service being hereinafter referred to as a "**Service Interruption**"), and (ii) such Service Interruption continues for more than 5 consecutive business days after Landlord shall have received written notice thereof from Tenant, and (iii) as a result of such Service Interruption, the conduct of Tenant's normal operations in the Premises are materially and adversely affected, then there shall be an abatement of one day's Base Rent for each day during which such Service Interruption continues after such 5 business day period; provided, however, that if any part of the Premises is reasonably useable for Tenant's normal business operations or if Tenant conducts all or any part of its operations in any portion of the Premises notwithstanding such Service Interruption, then the amount of each daily abatement of Base Rent shall only be proportionate to the nature and extent of the interruption of Tenant's normal operations or ability to use the Premises. The rights granted to Tenant under this paragraph shall be Tenant's sole and exclusive remedy resulting from a failure of Landlord to provide services, and Landlord shall not otherwise be liable for any loss or damage suffered or sustained by Tenant resulting from any failure or cessation of services. For purposes hereof, the term "**Essential Services**" shall mean the following services: HVAC service, water, sewer (but excluding the Acid Neutralization System), electricity, and access to the Premises, but in each case only to the extent that Landlord has an obligation to provide same to Tenant under this Lease.

(c) **Emergency Generators**. Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide an emergency generator designed to provide approximately 4 watts per RSF of the Premises based on customary diversity measures (Tenant acknowledging that such generator(s) may serve both Tenant and other tenants, and one or more other generators may be designated for the exclusive use of others from time to time during the Term), and (ii) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines. Except as otherwise provided in the immediately preceding sentence, Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant acknowledges and agrees that (x) in connection with the proper verification of loads and maintenance of the emergency generators, that power will need to be transferred during routine testing, and (y) Tenant is responsible for cooperating with Landlord or Landlord's third party contractor with respect to scheduling such routine tests and checking its own equipment loads as it operates during load transfer periods, provided Tenant's obligation to cooperate pursuant to this subsection (y) is conditioned upon Landlord delivering reasonable advance notice to Tenant of such routine tests and checks (except in the case of emergencies in which case no such notice shall be required and such tests and other activities may be at any time; provided that notice is made as soon as practicable given the circumstances). Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed.

(d) **Usage Data**. Tenant agrees to provide Landlord with access to Tenant's water and/or energy usage data on a monthly basis, either by providing Tenant's applicable utility login credentials to Landlord's designated online portal, or by another delivery method reasonably agreed to by Landlord and Tenant. The reasonable third-party, out-of-pocket costs and expenses incurred by Landlord in connection with receiving and analyzing such water and/or energy usage data (including, without limitation, as may be required pursuant to applicable Legal Requirements) shall be included as part of Operating Expenses.

(e) **Acid Neutralization System**. Landlord shall provide Tenant with access to an acid neutralization system ("**Acid Neutralization System**") pursuant to the terms and conditions of this Lease. Tenant acknowledges and agrees that the Acid Neutralization System may be shared with other tenants of the Building, if any, and/or the Project, as applicable. Tenant shall pay its share of ongoing operation costs

of the Acid Neutralization System as an Operating Expense, as allocated by Landlord among Tenant and other user tenants, if any, on a pro rata basis, with Tenant's share based on the ratio of the rentable square footage of the Premises to the sum of the rentable square footages of the Premises and the premises of all other user tenants, if any. Landlord's sole obligations for providing the Acid Neutralization System, or any acid neutralization system facilities, to Tenant shall be (the "**Acid Neutralization Obligations**") to (i) use reasonable efforts to obtain and maintain the permit required from the Massachusetts Water Resources Authority for discharge through the Acid Neutralization System (the "**Discharge Permit**"), provided that Tenant cooperates with Landlord and provides all information and documents necessary in connection with the Discharge Permit; and (ii) contract with a third party to maintain the Acid Neutralization System as operating as per the manufacturer's standard maintenance guidelines. Notwithstanding anything herein to the contrary, if the Acid Neutralization System must be replaced and the cost thereof is not included in such third party maintenance contract, then, Landlord shall replace the Acid Neutralization System, it being acknowledged, however, that Tenant shall be responsible for its share of all costs incurred in connection therewith as an Operating Expense.

Tenant shall be solely responsible for the use of the Acid Neutralization System by Tenant and all Tenant Parties or any party other than Landlord or Landlord's contractors, and Tenant shall be jointly and severally responsible for the use of the Acid Neutralization System with the other user tenants, if any. Tenant shall use, and cause other parties under its control or for which it is responsible to use, the Acid Neutralization System in accordance with this Lease and in accordance with all applicable Legal Requirements, the Discharge Permit and any permits and approvals from Governmental Authorities for or applicable to Tenant's use of the Acid Neutralization System. Tenant shall not take any action or make any omission that would result in a violation of the Discharge Permit or any other permit or Legal Requirements applicable to the Acid Neutralization System. The scope of the Decommissioning and HazMat Closure Plan (as defined in Section 28 of this Lease) shall include all actions for the proper cleaning, decommissioning and cessation of Tenant's use of the Acid Neutralization System, and all requirements under this Lease for the surrender of the Premises shall also apply to Tenant's cessation of use of the Acid Neutralization System, in each case whether at Lease expiration, termination or prior thereto (but Tenant shall not be required to complete the decommissioning of the Acid Neutralization System if other tenants or occupants will continue to use the same after the expiration or earlier termination of this Lease, nor shall Tenant be responsible for or bear any costs of decommissioning arising from the use of the Acid Neutralization System by any party, if any, other than Tenant and the Tenant Parties; it being agreed that if multiple tenants use the Acid Neutralization System, then Landlord shall be responsible for completing the decommissioning thereof, and Tenant shall pay to Landlord within thirty (30) days after invoice therefor Tenant's share of the reasonable, actual costs of decommissioning based on the ratio of the rentable square footage of the Premises to the rentable square footage of the Premises and the premises of all other user tenants, if any). The obligations of Tenant under this Lease with respect to the Acid Neutralization System shall be joint and several with such other tenants as aforesaid, except in the event that Tenant can prove to Landlord's reasonable satisfaction that neither Tenant nor any Tenant Party caused, contributed to or exacerbated the matter for which Tenant would otherwise be responsible but for this exception. Without in any way limiting the Acid Neutralization Obligations, Landlord shall have no obligation to provide Tenant with operational emergency or back-up acid neutralization facilities or to supervise, oversee or confirm that the third party maintaining the Acid Neutralization System is maintaining such system as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the Acid Neutralization System when such system is not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up system or facilities. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such Acid Neutralization System will be operational at all times or that such system will be available to the Premises when needed. Without in any way limiting the Acid Neutralization Obligations, in no event shall Landlord be liable to Tenant or any other party for any damages of any type, whether actual or consequential, suffered by Tenant or any such other person in the event that the Acid Neutralization System or back-up system, if any, or any replacement thereof fails or does not operate in a manner that meets Tenant's requirements.

12. **Alterations and Tenant's Property**. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") and excluding Notice-Only Alterations (as defined below)shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration could reasonably be expected to affect Structural Items or Building Systems but shall not otherwise be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord shall have the right to disapprove in its sole discretion any proposed Alterations which could reasonably be expect to: (a) affect structure, Common Areas or the exterior of the Building or exterior of the Project; (b) affect Building Systems (as defined in Section 13); (c) affect other tenant space in the Building, if any; (d) not be in conformance with any special permits or other Project entitlements; or (e) reduce or enlarge the square footage of the Building. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's sole and absolute discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed work, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all contractors, subcontractors, or others performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with applicable Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by applicable Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, within 30 days following written demand, an amount equal to (a) 5% of all charges incurred by Tenant or its contractors or agents in connection with any Alteration to cover Landlord's overhead and expenses for plan review, coordination, scheduling and supervision, and (b) the reasonable out-of-pocket costs incurred by Landlord with respect to each Alteration. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup. "**Notice Only Alterations**" means non-structural Alterations in Premises (which could not reasonably be excepted to affect Structural Items or Building Systems) that do not exceed $250,000 in the aggregate over any 12-month period; provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans, specifications, work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 15 days in advance of any proposed work.

Tenant shall make arrangements satisfactory to Landlord (which may include furnishing security if the cost of the Alterations will exceed $200,000 for any one project or series of related projects) to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage, including commercial general liability insurance, in amounts and from an insurance company satisfactory to Landlord to protect Landlord against liability for personal injury or property damage during construction and shall include Landlord as an additional insured thereunder. Upon completion of any Alterations, Tenant shall deliver or cause to be delivered to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Except for Removable Installations (as hereinafter defined), all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier

termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time of its approval of any such Installation is requested, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. If Landlord is requested by Tenant or any lender, lessor or other person or entity claiming an interest in any of Tenant's Property to waive any lien Landlord may have against any of Tenant's Property, and Landlord consents to such waiver, then Landlord shall be entitled to be paid as administrative rent a fee of $1,000 per occurrence for its time and effort in preparing and negotiating such a waiver of lien.

For purposes of this Lease, (x) "**Removable Installations**" means any items listed on Exhibit F attached hereto and any items agreed by Landlord in writing to be included on Exhibit F in the future, (y) "**Tenant's Property**" means Removable Installations and, other than Installations, any personal property or equipment of Tenant that may be removed without material damage to the Premises, and (z) "**Installations**" means all property of any kind paid for with the TI Fund (as defined in the Work Letter), all Alterations, all fixtures, and all partitions, hardware, built-in machinery, built-in casework and cabinets and other similar additions, equipment, property and improvements built into the Premises so as to become an integral part of the Premises, including, without limitation, fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch.

13. **Landlord's Repairs**. Landlord shall, at Landlord's sole expense (and not as an Operating Expense), be responsible for capital repairs and replacements of the roof (not including the roof membrane), exterior walls and foundation of the Building ("**Structural Items**"), unless the need for such repairs or replacements is caused by Tenant or any Tenant Parties, in which case Tenant shall bear the full cost to repair or replace such Structural Items. Landlord shall (with all related costs included as an Operating Expense) be responsible for the routine maintenance and repair of such Structural Items. Landlord shall (with all related costs included as an Operating Expense) maintain, repair and replace the roof membrane and all of the exterior, parking and other Common Areas of the Project, including HVAC, plumbing, fire sprinklers and all other building systems serving the Premises and other portions of the Project ("**Building Systems**") but excluding those exclusively serving the Premises, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant, or by any of Tenant's assignees, sublessees, licensees, agents, servants, employees, invitees, vendors and contractors (or any of Tenant's assignees, sublessees and/or licensees respective agents, servants, employees, invitees, vendors, and contractors) (collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 48 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Landlord shall use commercially reasonable efforts (at no cost to Landlord) to minimize interruption with Tenant's operations in the Premises or access thereto in connection with any planned and scheduled stoppage of

Building Systems pursuant to this Section 13. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section 13, after which Landlord shall make a commercially reasonable effort to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, hurricane, sinkhole, tornado, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.]

14. **Tenant's Repairs**. Subject to Section 13 hereof and the Work Letter, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, the building systems exclusively serving the Premises, and systems installed by Tenant, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls, reasonable wear and tear, damage and casualty not caused by Tenant or any Tenant Party excepted. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 days following Landlord's written notice, and thereafter diligently prosecute such cure to completion (not to exceed 45 days following Landlord's written notice), Landlord may perform such work and shall be reimbursed by Tenant within 30 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens**. Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after Tenant receives notice or should have been aware of the filing thereof, at Tenant's sole cost, and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office or lab equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property located within the Premises.

16. **Indemnification**. Subject to the waiver of subrogation contained in Section 17 hereof, Tenant hereby indemnifies and agrees to defend, save and hold Landlord, its officers, directors, employees, managers, agents, sub-agents, constituent entities, affiliates, and lease signatory(ies) (collectively, "**Landlord Indemnified Parties**") harmless from and against any and all actions (including, without limitation, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, with respect to Hazardous Materials or holding over, consequential damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises, or any portion of the Project; provided this parenthetical shall only apply with respect to Hazardous Materials and/or holding over), expenses (including, without limitation, reasonable attorneys' fees, and consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, death to persons or

property damage occurring within or about the Premises), liabilities or losses (collectively, "**Claims**"), to the extent arising directly or indirectly out of Tenant's (or any party claiming by, through or under Tenant) use or occupancy of the Premises or a breach or default by Tenant (or any party claiming by, through or under Tenant) in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or negligence of Landlord Indemnified Parties. Landlord Indemnified Parties shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord Indemnified Parties shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance**. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant, at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with employers liability limits of $1,000,000 bodily injury by accident – each accident, $1,000,000 bodily injury by disease – policy limit, and $1,000,000 bodily injury by disease – each employee; and commercial general liability insurance, with a minimum limit of not less than $2,000,000 per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance maintained by Tenant shall name Alexandria Real Estate Equities, Inc., and Landlord, its officers, directors, employees, managers, agents, sub-agents, constituent entities, affiliates and lease signatory(ies) (collectively, "**Landlord Insured Parties**"), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless 10 days prior written notice shall have been given to Landlord from the insurer; not contain a hostile fire exclusion; contain a contractual liability endorsement; and provide primary coverage to Landlord Insured Parties (any policy issued to Landlord Insured Parties providing duplicate or similar coverage shall be deemed excess over Tenant's policies, regardless of limits). Copies of such policies (if requested by Landlord), or certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant prior to (i) the earlier to occur of (x) the Commencement Date, or (y) the date that Tenant accesses the Premises under this Lease, and (ii) each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall within 5 business days following written request of Landlord also designate and furnish certificates so evidencing

Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new office/lab tenants within the Project.

18. **Restoration**. If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within 60 days after discovery of such damage (the "**Restoration Notice**") as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 12 months (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided however, notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice delivered to Landlord within 10 business days following receipt of Landlord's estimate of the Restoration Notice if it specifies a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant unless covered by the insurance Landlord maintains as an Operating Expense under this Lease, in which case such improvements shall be included, to the extent such insurance proceeds are actually received, in Landlord's restoration), subject to delays arising from the collection of insurance proceeds (provided that any such delay is not the result of Landlord's failure to maintain the insurance policies required to be maintained by Landlord under this Lease), from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, (i) either Party may terminate this Lease if the Premises are damaged during the last 12 months of the Term and Landlord reasonably estimates that it will take more than 4 months to repair such damage, or (ii) Landlord may terminate this Lease if the Premises are damaged and insurance proceeds are not available for such restoration. Rent shall be abated from the date of the casualty, provided that if Hazardous Materials Clearances are required as a condition for the repair or restoration, then Rent shall be abated from the date all required Hazardous Material Clearances are obtained, and in either case, such abatement shall be until the Premises are repaired and restored, and shall be in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is suitable for the temporary conduct of Tenant's business. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate this Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the Parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would in Landlord's reasonable judgment, either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by either Party this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as Landlord determines may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default**. Each of the following events shall be a default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults**. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, that for the first instance within a 12-month period of Tenant's failure to pay any amounts due hereunder when due, Tenant shall be in Default only if such failure continues for 5 days from the date when due.

(b) **Insurance**. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive

a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 10 business days before the expiration of the current coverage.

(c) **Abandonment**. Tenant shall abandon the Premises, provided, however, that Tenant shall not be deemed to have abandoned the Premises if: (i) prior to vacating the Premises Tenant provides Landlord with prior notice and complies with the requirements pertaining to a Decommissioning and HazMat Closure Plan as set forth in Section 28; (ii) Tenant has obtained the release of the Premises of all Hazardous Materials Clearances and the Premises are free from any residual impact from the Tenant HazMat Operations and Tenant provides reasonably detailed documentation to Landlord confirming such matters, (iii) prior to or at the time of vacating the Premises, Tenant has made reasonable arrangements for the security of the Premises for the balance of the Term, and Tenant has notified Landlord of such arrangements, (iv) Tenant continues to maintain in full force and effect any permits and approvals as may be required by any Governmental Authority for the Premises, and (v) Tenant continues during the balance of the Term to satisfy all of its obligations under the Lease as they come due, including without limitation the obligation to pay Rent.

(d) **Improper Transfer**. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens**. Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within the time period required pursuant to Section 12 of this Lease.

(f) **Insolvency Events**. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement**. Tenant fails to execute any document required from Tenant under Sections 23 or 27 within the time periods set forth in such applicable Section.

(h) **Other Defaults**. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant or Tenant shall not have commenced such cure within 10 days of Landlord's notice.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said initial 10-day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 90 days from the date of Landlord's notice.

21. **Landlord's Remedies**.

(a) **Performance; Payment; Interest**. If default by Tenant shall occur in the keeping, observance or performance of any covenant, agreement, term, provision or condition herein contained, Landlord, without thereby waiving such default, may perform the same for the account and at the expense of Tenant (a) immediately or at any time thereafter and with only such notice as may be practicable under the circumstances in the case of an emergency or in case such default will result in a violation of any Legal Requirement or insurance requirements, or in the imposition of any lien against all or any portion of the Premises or the Project not discharged, released or bonded over to Landlord's satisfaction by Tenant within the time period required pursuant to Section 15 of this Lease, and (b) in any other case if such default continues after any applicable notice and cure period provided in Section 20. All reasonable costs and expenses incurred by Landlord in connection with any such performance by it for the account of Tenant and also all reasonable costs and expenses, including reasonable attorneys' fees and disbursements incurred by Landlord in any action or proceeding (including any summary dispossess proceeding) brought by Landlord to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be paid by Tenant to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's default hereunder.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum of 5% of the overdue Rent as a late charge. Notwithstanding the foregoing, before assessing a late charge for the first delinquency in any calendar year, Landlord shall provide Tenant with written notice of the delinquency and will waive the right to assess a late charge on such delinquency if Tenant pays such delinquency within 5 business days after Landlord's notice. The Parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Additional Remedies**. Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever (except as otherwise expressly provided in Section 21(c)(v) with respect to Landlord's Lump Sum Election). No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord's right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default.

(i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while any such Default shall continue and notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord's intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinbefore fixed for the expiration of this Lease, and all rights of Tenant hereunder shall expire and terminate, and Tenant shall be liable as

hereinafter in this Section 21(c) provided. If any such notice is given, Landlord shall have, on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant. Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may, subject to Section 21(c)(ii) from time to time re-let the Premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as Landlord may deem advisable, with the right to make commercially reasonable alterations in and repairs to the Premises.

(ii) Landlord shall be deemed to have satisfied any obligation to mitigate its damages by hiring an experienced commercial real estate broker to market the Premises and directing such broker to advertise and show the Premises to prospective tenants.

(iii) In the event of any termination of this Lease as in this Section 21 provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or otherwise, and again have, repossess and enjoy the same free of any rights of Tenant, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Premises.

(iv) If this Lease is terminated or if Landlord shall re-enter the Premises as aforesaid, or in the event of the termination of this Lease, or of re-entry, by or under any proceeding or action or any provision of law by reason of a Default by Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed in this Lease for the payment thereof, amounts equal to the installments of Base Rent and all Additional Rent as they would, under the terms of this Lease become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, or for the whole thereof, but in the event that the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all of Landlord's expenses incurred in reletting the Premises (including, without limitation, tenant improvement, demising and remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner: Amounts received by Landlord after reletting, if any, shall first be applied against such Landlord's expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant's liability prior to any such reletting and such recovery by Landlord no in any way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease); when and if such expenses have been completely recovered by Landlord, the amounts received from reletting by Landlord as have not previously been applied shall be credited against Tenant's obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant. Further, Tenant shall not be entitled to any credit of any kind for any period after the date when the Term of this Lease is scheduled to expire according to its terms.

Actions, proceedings or suits for the recovery of damages, whether liquidated or other damages, under this Lease, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated hereunder.

(v) In addition, Landlord, at its election, notwithstanding any other provision of this Lease, by written notice to Tenant (the "**Lump Sum Election**"), shall be entitled to recover from Tenant, as

and for liquidated damages, at any time following any termination of this Lease, a lump sum payment representing, at the time of Landlord's written notice of its Lump Sum Election, the sum of:

(A) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the amount of unpaid Base Rent and Additional Rent that would have been payable pursuant to this Lease for the remainder of the Term following Landlord's Lump Sum Election if this Lease had not been terminated, and

(B) all other damages and expenses (including reasonable attorneys' fees and expenses), if any, which Landlord shall have sustained by reason of the breach of any provision of this Lease; less

(C) the net rental revenue that Landlord may expect to obtain for the Premises for the balance of the Term, calculated based on the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the aggregate net fair market rent plus additional charges payable for the Premises (if less than the then present value of Base Rent and Additional Rent that would have been payable pursuant to this Lease) for the remainder of the Term following Landlord's Lump Sum Election, calculated as of the date of Landlord's Lump Sum Election, and taking into account reasonable estimates of the length of time until the space will be leased and rent will commence to be paid, and future costs to relet any then vacant portions of the Premises (except to the extent that Tenant has actually paid such costs pursuant to this Section 21).

Landlord's recovery under its Lump Sum Election shall be in addition to Tenant's obligations to pay Base Rent and Additional Rent due and costs incurred prior to the date of Landlord's Lump Sum Election, and in lieu of any Base Rent and Additional Rent which would otherwise have been due under this Section from and after the date of Landlord's Lump Sum Election. The yield to maturity on United States Treasury Notes having a maturity date that is nearest the date that would have been the last day of the Term of this Lease, as reported in THE WALL STREET JOURNAL or a comparable publication if it ceases to publish such yields, shall be used in calculating present values for purposes of Landlord's Lump Sum Election. For the purposes of this Section, if Landlord makes the Lump Sum Election to recover liquidated damages in accordance with this Section, the total Additional Rent shall be computed based upon Landlord's reasonable estimate of Tenant's Share of Operating Expenses and other Additional Rent for each 12-month period in what would have been the remainder of the Term of this Lease and any part thereof at the end of such remainder of the Term, but in no event less than the amounts therefor payable for the twelve (12) calendar months (or if less than twelve (12) calendar months have elapsed since the date hereof, the partial year increased to be on an annualized basis) immediately preceding the date of Landlord's Lump Sum Election. Amounts of Tenant's Share of Operating Expenses and any other Additional Rent for any partial year at the beginning of the Term, for the month in which the Lump Sum Election is made, or at the end of what would have been the remainder of the Term shall be prorated.

(vi) Nothing herein contained shall limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law, whether such amount shall be greater or less than the excess referred to above.

(vii) Nothing in this Section 21 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease, which shall be in addition to the remedies set forth in this Section 21.

(viii) If Landlord terminates this Lease upon the occurrence of a Default, Tenant will quit and surrender the Premises to Landlord or its agents, and Landlord may, without further notice, enter upon, re-enter and repossess the Premises by summary proceedings, ejectment or otherwise. The words "enter", "re-enter", and "re-entry" are not restricted to their technical legal meanings.

(ix) If Tenant shall be in default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in default, Tenant shall pay to Landlord all reasonable, out of pocket fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including reasonable attorneys' fees and expenses.

(x) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d).

(xi) In the event that Tenant is in breach or Default under this Lease, whether or not Landlord exercises its right to terminate or any other remedy, Tenant shall reimburse Landlord upon demand for any out of pocket costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 21(c). Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability, including without limitation, legal fees and costs Landlord shall incur if Landlord shall become or be made a party to any claim or action instituted by Tenant against any third party, by any third party against Tenant or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant.

(d) Except as otherwise provided in this Section 21, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or now or hereafter existing. No waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressly so made in writing by Landlord expressly waiving such provision. Landlord shall be entitled, to the extent permitted by law, to seek injunctive relief in case of the violation, or attempted or threatened violation, of any provision of this Lease, or to seek a decree compelling observance or performance of any provision of this Lease, or to seek any other legal or equitable remedy.

22. **Assignment and Subletting**.

(a) **General Prohibition**. Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises or any part thereof, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership (limited, general or other) or limited liability company (or other business associations), the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 50% or more of the issued and outstanding shares or other ownership interests of such corporation, partnership (limited, general or other) or limited liability company (or other business associations) are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities (or other business associations) which were owners thereof at time of execution of this Lease to persons or entities (or other business associations) who were not owners of shares or other ownership interests of the corporation, partnership or limited liability

company (or other business associations) at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding anything in this Section 22 to the contrary, any public offering of shares or other ownership interest in Tenant on a nationally recognized stock exchange shall not be deemed an assignment requiring consent of the Landlord.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below), then at least 15 business days, but not more than 60 days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent; provided Landlord will not unreasonably withhold, condition or delay consent (provided that, in the case of a sublease, Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting), or (iii) terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date (an "**Assignment Termination**"). Without limiting the other grounds upon which it may be reasonable for Landlord to refuse consent, it shall be deemed reasonable for Landlord to refuse consent if (1) the proposed assignee or subtenant is a governmental agency; (2) in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or subtenant would require increased services by Landlord; (3) the proposed assignee or subtenant is engaged in areas of scientific research or other business concerns that are controversial such that Landlord reasonably determines the same could reasonably be expected to (A) attract or cause negative publicity for or about the Building or the Project, (B) negatively affect the reputation of the Building, the Project or Landlord, (C) attract protestors to the Building or the Project, or (D) lessen the attractiveness of the Building or the Project to any tenants or prospective tenants, purchasers or lenders; (4) in Landlord's reasonable judgment, the proposed assignee or subtenant lacks the creditworthiness to support the financial obligations it will incur under the proposed assignment or sublease; (5) in Landlord's reasonable judgment, the character, reputation, or business of the proposed assignee or subtenant is inconsistent with the desired tenant-mix or the quality of other tenancies in the Project or is inconsistent with the type and quality of the nature of the Building; (6) Landlord has received from any prior landlord to the proposed assignee or subtenant a negative report concerning such prior landlord's experience with the proposed assignee or subtenant; (7) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or subtenant; (8) the use of the Premises by the proposed assignee or subtenant will violate any applicable Legal Requirement; (9) the proposed assignee or subtenant, or any entity that, directly or indirectly, controls, is controlled by, or is under common control with the proposed assignee or subtenant, is then an occupant of the Project and the Landlord has available space of substantially similar size and use at the Project; (10) the proposed assignee or subtenant is an entity with whom Landlord is actively negotiating (e.g., a proposal being shared and responded to) to lease space in the Project; (11) the proposed assignee or subtenant (or such party's affiliates, principals or predecessors) has been requested to take remedial action in connection with Hazardous Materials contamination or Landlord otherwise determines the proposed assignee's or subtenant's use of the Premises presents a risk associated with Hazardous Materials or is not compatible with the Project; or (12) the assignment or sublease is prohibited by Landlord's lender. If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 5 business days after Landlord's notice electing to exercise the Assignment Termination. If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect. If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice. No failure of Landlord to exercise any such option to

terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to Two Thousand Five Hundred Dollars ($2,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents.

In addition, Tenant shall have the right to assign this Lease, upon 30 days prior written notice to Landlord (except to the extent (a) prohibited by applicable securities or other laws or regulations, in which case such notice shall be provided as soon as permitted, or (b) prohibited by confidentiality requirements, in which case such notice shall be provided as soon as permitted but in no event later than 10 days before such transaction) but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring this Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the Commencement Date, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease (a "**Permitted Assignment**").

(c) **Additional Conditions**. As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under this Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. If the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such sublease or market concessions ("**Excess Rent**"), then Tenant shall be

bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 30 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant solely for the limited purpose of receiving such rent from subletting, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under this Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee**. Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party

23. **Estoppel Certificate**. Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that this Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment**. So long as Tenant is not in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations**. All prorations required or permitted to be made hereunder shall be made on the basis of a 360-day year and 30-day months.

26. **Rules and Regulations**. Tenant and any and all Tenant Parties shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established, modified or amended by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said

rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project. Landlord shall not enforce such rules and regulations in a discriminatory manner.

In addition to the foregoing, Landlord shall have the right to institute, modify or amend at any time or from time to time reasonable rules and regulations related to Tenant's use of the Amenities, including by way of example but not limitation, requirements related to reservation systems for conference facilities, designation of permitted caterers or restaurants that may serve any conference facilities, reasonable fees for the use of conference facilities, liability waivers for individuals using gyms, and access card entry requirements. Tenant and any and all Tenant Parties shall comply with all such rules and regulations, provided notice of such modified or amended rules and regulations are delivered in writing to Tenant.

Tenant shall cause all Tenant Parties to comply with all rules and regulations established from time to time by Landlord pursuant to this Section 26. Tenant will reimburse Landlord for all damages caused by Tenant's or any Tenant Party's failure to comply with the provisions of this Section 26 and will also pay to Landlord, as Additional Rent, an amount equal to any increase in insurance premiums caused by such failure to comply.

27. **Subordination**. This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project, the Building, or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees within 5 business days following demand to execute, acknowledge and deliver such commercially customary instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include mortgages, deeds of trust, security assignments and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the mortgagee or beneficiary under a deed of trust.

As of the date of this Lease, Landlord represents there is no existing Mortgage encumbering the Project. If during the Term there is a Mortgage encumbering the Project, Landlord agrees to use reasonable efforts to cause the Holder of the then-current Mortgage to enter into a subordination, non-disturbance and attornment agreement ("**SNDA**") with Tenant with respect to this Lease. The SNDA shall be on the commercially customary form proscribed by the Holder, and Landlord shall request that Holder make any commercially reasonable changes to the SNDA requested by Tenant. Landlord's failure to cause the Holder to enter into the SNDA with Tenant (or make any of the changes requested by Tenant) shall not be a default by Landlord under this Lease.

28. **Surrender**. Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear, Landlord's repair and maintenance obligations, and casualty loss and condemnation covered by Sections 18 and 19

excepted. At least 3 months prior to the surrender of the Premises or such earlier date as Tenant may elect to cease operations at the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Decommissioning and HazMat Closure Plan**"). Such Decommissioning and HazMat Closure Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant. In connection with the review and approval of the Decommissioning and HazMat Closure Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Decommissioning and HazMat Closure Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of this Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Decommissioning and HazMat Closure Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $5,000. Landlord shall have the unrestricted right to deliver such Decommissioning and HazMat Closure Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Decommissioning and HazMat Closure Plan approved by Landlord, or if Tenant shall fail to complete the approved Decommissioning and HazMat Closure Plan, or if such Decommissioning and HazMat Closure Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, then following written notice to Tenant of such failure and Tenant's failure to commence a cure within 10 days of the delivery of such notice and to complete such cure within 30 days of the delivery of such notice (except in the case of emergencies in which case no such notice or cure period is required), Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Upon the expiration or earlier termination of the Term, Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TO THE EXTENT PERMITTED BY LAW, TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE,

BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements.**

(a) **Prohibition/Compliance/Indemnity**. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Building, the Project and/or any adjacent property or if contamination of the Premises, the Building, the Project and/or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents, and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, managers, agents, sub-agents, affiliates and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises, Building, or the Project, the loss of, or restriction on, use of the Premises, the Building, or any portion of the Project), expenses (including, without limitation, reasonable attorneys' fees, and consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises, the Building, the Project or any other adjacent property. Without limiting the foregoing, if the presence of any Hazardous Materials in, on or under the Premises, the Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project and/or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project. Notwithstanding the foregoing, Tenant shall not be responsible for the clean-up or remediation of, and the indemnification and hold harmless obligation set forth in this paragraph shall not apply to ("**Excluded Matters**"), (i) contamination in the Premises that Tenant demonstrates to Landlord was present in the Premises prior to the date of Substantial Completion of the Tenant Improvements (or any earlier date of entry onto the Premises by Tenant or any Tenant Parties during which early entry Tenant or the Tenant Parties utilize or introduce Hazardous Materials), (ii) contamination on the Project (including the Premises) that Tenant demonstrates to Landlord was not introduced by, or caused by an act or omission, of Tenant or any of the Tenant Parties, or (iii) any environmental condition that Tenant demonstrates to Landlord resulted from the presence of any Hazardous Material that migrates into the Premises from outside the Premises, except, in any case of clauses (i) – (iii), to the extent Tenant and/or any of the Tenant Parties have exacerbated or contributed to such contamination or migration. If Tenant encounters any pre-existing Hazardous Materials in connection with any Alterations, it shall promptly notify Landlord and cease any action that may disturb such Hazardous Materials until Landlord has the opportunity to remediate the same if required by law.

(b) **Business**. Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Upon Landlord's request, or any time that Tenant is required to deliver a Hazardous Materials List to any Governmental Authority (e.g., the fire department) in connection with Tenant's use or occupancy of the Premises, Tenant shall deliver to Landlord a copy of such Hazardous Materials List. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Decommissioning and HazMat Closure Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty**. Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this Lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing**. Landlord shall have the right but not the obligation to conduct annual tests of the Premises to determine whether any contamination of the Premises, the Building, or the Project has occurred as a result of Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct additional appropriate tests of the Premises, the Building, and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or

warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Control Areas**. Tenant shall be allowed to utilize up to its pro rata share of the Hazardous Materials inventory within any control area or zone (located within the areas of the Premises designated on **Exhibit G**), as designated by the applicable building code, for chemical use or storage. As used in the preceding sentence, Tenant's pro rata share of any control areas or zones located within the Premises shall be determined based on the rentable square footage that Tenant leases within the applicable control area or zone. For purposes of example only, if a control area or zone contains 10,000 rentable square feet and 2,000 rentable square feet of a tenant's premises are located within such control area or zone (while such premises as a whole contains 5,000 rentable square feet), the applicable tenant's pro rata share of such control area or zone would be 20%.

(f) **Underground Tanks**. Tenant shall have no right to install any underground or other storage tanks at the Project.

(g) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of this Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Decommissioning and HazMat Closure Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(h) **Definitions**. As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability**.

(a) **Notice of Landlord's Default**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as

covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

(b) **Tenant's Right to Cure.** Notwithstanding the foregoing, if, at any time after the Commencement Date, any claimed Landlord default hereunder will immediately, materially and adversely affect Tenant's ability to conduct its business in the Premises (a "**Material Landlord Default**"), Tenant shall, as soon as reasonably possible, but in any event within 2 business days of obtaining knowledge of such claimed Material Landlord Default, give Landlord written notice of such claim (which notice shall specifically state that a Material Landlord Default exists and shall specify that Tenant intends to exercise its self help rights under this Section 31(b)) and telephonic notice to Tenant's principal contact with Landlord. Landlord shall then have the right within 5 business days after receipt of both written notice and telephonic notice to commence cure of such claimed Material Landlord Default and if commenced shall diligently prosecute such cure to completion. If such claimed Material Landlord Default is not a default by Landlord hereunder, Landlord shall be entitled to recover from Tenant, as Additional Rent, any costs incurred by Landlord in connection with such cure. If Landlord fails to commence cure of any claimed Material Landlord Default as provided above, then Tenant may commence and prosecute such cure to completion; provided that Tenant's cure efforts do not affect (i) any Building Systems affecting other tenants or areas outside the Premises, (ii) the Building exterior, structure and structural components, (iii) Common Areas, or (iv) any other tenant's use and enjoyment of their premises or the Project. Tenant shall be entitled to recover the costs of such cure (but not any consequential or other damages) from Landlord by way of reimbursement from Landlord within 30 days after invoice with no right to offset against Rent, to the extent of Landlord's obligation to cure such claimed Material Landlord Default hereunder, subject to the limitations set forth in the immediately preceding sentence of this paragraph and the other provisions of this Lease. Tenant, at its option, may elect to pursue any and all other rights and remedies expressly provided in this Lease. In no event shall the provisions of this Section 31(b) benefit any subtenant or be exercisable by subtenants against Landlord.

(c) **Limitation of Liability**. All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the fee owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last 18 months of the Term, to prospective tenants or for any other business purpose, provided that Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's use of the Premises for the Permitted Use as a result of such entry. During the last 18 months of the Term, Landlord may erect a suitable sign on the Building exterior or the property adjacent thereto stating the Premises are available to let, and at any time during the Term Landlord may erect suitable signage on the Project stating that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use or access nor materially increases Tenant's obligations as provided in this Lease. At Landlord's request, Tenant shall execute such instruments as may be reasonably necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the

Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder and Landlord shall not be required to reschedule its access more than once if Tenant's escort is unavailable. To the extent that the access requirements set forth in this section prevent or delay Landlord's performance of its obligations under this Lease, then Landlord's failure to perform shall be excused and extended until such access is granted. Landlord and its employees shall, and shall use commercially reasonable efforts to cause Landlord's agents and contractors to, cooperate and comply with Tenant's reasonable security protocols and measures (provided that such security protocols and measures have been previously provided in writing by Tenant to Landlord).

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure**. Except for Tenant's obligation to timely pay Rent or either party's obligation to make any other payment due hereunder (which such obligation shall not under any circumstance be delayed or excused), neither Landlord nor Tenant shall be responsible or liable for delays in the performance of its obligations hereunder when such delay in performance is caused by, related to or arises out of acts of God, sinkholes or subsidence, strikes, labor stoppages, lockouts, or other labor disputes, embargoes, quarantines, declared states of emergency or public health emergencies, pandemics, epidemics, infectious disease, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental decrees, laws, actions, restrictions, orders, limitations, regulations, or controls, regional, state, local, or national emergencies, delay in inspection by federal, state or local inspectors, officials or other applicable Governmental Authorities, delay in issuance or revocation of permits, approvals, certificates of occupancy, or entitlements, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and any other causes or events beyond the reasonable control of the obligated party ("**Force Majeure**").

35. **Brokers**. Landlord and Tenant each represents and warrants that, other than Cushman & Wakefield and CBRE (the "**Brokers**"), it has not dealt with any broker, agent or other person entitled to a commission, compensation or fee in connection with this transaction. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any broker, agent or other person or entity, other than the Brokers, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Landlord shall be responsible for all commissions due to the Brokers arising out of the execution of this Lease subject to and in accordance with the terms of a separate agreement(s) with the Brokers.

36. **Limitation on Landlord's Liability**. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION, TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY

UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, MANAGERS, AFFILIATES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, MANAGERS, AFFILIATES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM. TENANT ACKNOWLEDGES AND AGREES THAT ANY MEASURES AND/OR SERVICES IMPLEMENTED AT THE PROJECT, IF ANY, INTENDED TO ENCOURAGE SOCIAL DISTANCING (ALSO REFERRED TO AS PHYSICAL DISTANCING), PROMOTE AND PROTECT HEALTH AND PHYSICAL WELL-BEING AND/OR PREVENT OR LIMIT THE SPREAD OR TRANSMISSION OF INFECTIOUS CONDITIONS, MAY NOT PREVENT OR LIMIT THE SPREAD OR TRANSMISSION OF SUCH INFECTIOUS CONDITIONS (IT BEING UNDERSTOOD AND AGREED THAT LANDLORD HAS NO OBLIGATION TO UNDERTAKE ANY SUCH MEASURES OR SERVICES AND HAS MADE NO REPRESENTATION THAT IT WILL UNDERTAKE (OR IF UNDERTAKEN, ENFORCE) ANY SUCH MEASURES OR SERVICES, NOR AS TO THE SUFFICIENCY OF ANY MEASURES OR SERVICES UNDERTAKEN BY LANDLORD IF LANDLORD UNDERTAKES ANY MEASURES OR SERVICES, AND TENANT WILL NOT RELY ON ANY MEASURES OR SERVICES UNDERTAKEN BY LANDLORD IF LANDLORD UNDERTAKES ANY MEASURES OR SERVICES). NEITHER LANDLORD NOR ANY LANDLORD INDEMNIFIED PARTIES SHALL HAVE ANY LIABILITY AND TENANT IRREVOCABLY RELEASES AND WAIVES ANY CLAIMS AGAINST LANDLORD AND THE LANDLORD INDEMNIFIED PARTIES WITH RESPECT TO ANY LOSS, DAMAGE, INJURY OR DEATH IN CONNECTION WITH (X) THE IMPLEMENTATION, MANNER OF IMPLEMENTATION, OR FAILURE OF LANDLORD OR ANY LANDLORD INDEMNIFIED PARTIES TO IMPLEMENT OR ENFORCE, ANY MEASURES AND/OR SERVICES AT THE PROJECT INTENDED TO ENCOURAGE SOCIAL DISTANCING (ALSO REFERRED TO AS PHYSICAL DISTANCING), PROMOTE AND PROTECT HEALTH AND PHYSICAL WELL-BEING AND/OR PREVENT OR LIMIT THE SPREAD OR TRANSMISSION OF INFECTIOUS CONDITIONS, OR (Y) THE FAILURE OF ANY MEASURES AND/OR SERVICES IMPLEMENTED AT THE PROJECT, IF ANY, TO PREVENT OR LIMIT THE SPREAD OR TRANSMISSION OF ANY INFECTIOUS CONDITIONS.

IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST ANY OF TENANT'S OFFICERS, DIRECTORS, EMPLOYEES ON ACCOUNT OF A DEFAULT BY TENANT.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the Parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the Parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance**. Except as expressly provided in this Section 38, Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony or terrace (including, without limitation, any terraces contained within the Premises), or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, graphics, placards, decorations, or advertising media

of any type which can be viewed from the exterior of the Premises. At Tenant's election, to the extent permitted by Legal Requirements, and subject to Landlord's prior written approval of size, location and design (such approval not to be unreasonably withheld, conditioned or delayed), Landlord shall cause to be installed (at Tenant's sole cost and expense) the following signage: (i) suite-entry signage on the entryway or immediately adjacent to such entryway of the Premises, (ii) Tenant's pro rata share (as reasonably determined by Landlord) of non-exclusive signage bearing Tenant's name and logo on the multi-tenant monument sign serving the Building, and (iii) Tenant's pro rata share (as reasonable determined by Landlord) of non-exclusive signage bearing Tenant's name and logo on the lobby multi-tenant signage of the Building, if any. Tenant shall provide Landlord with the applicable signs and/or placards to be installed pursuant to the foregoing sentence. All costs associated with the design, permitting, approval, fabrication, installation, maintenance, and removal (and associated repairs of damage to the Building and/or the monument sign due to Tenant's signage removal), shall be borne exclusively by Tenant. Tenant understands that light pollution from the interior of the Building would be a serious issue. Accordingly, Tenant acknowledges and agrees that: (x) all lighting in in Exterior Rooms must be controlled (at Tenant's expense) by switches with motion detectors that automatically turn off when the area is unoccupied, and Tenant will not override such switches; and (y) for any period from dusk to dawn that Tenant's lights are on in an Exterior Room, Tenant will use commercially reasonable efforts to keep its blinds closed in such Exterior Room unless there is a reasonable reason to keep them the blinds open. If either (a) Tenant complies with the foregoing clauses (x) and (y) but the neighbors or City complain in writing to Landlord about light escaping from the Tenant's windows (an email being considered to be a writing for these purposes, and Landlord agreeing to share such written complaint with Tenant), or (b) Tenant does not comply with the foregoing clauses (i) and (ii) (either (a) or (b), a "**Lighting Issue**"), then Landlord will have the following rights (without derogation of Landlord's other rights and remedies set forth in this Lease). The first (and any subsequent) time Landlord notifies Tenant of a Lighting Issue, Tenant will promptly propose and implement a plan to address the same, such plan being subject to Landlord's approval. The second (and any subsequent) time Landlord notifies Tenant of a Lighting Issue, Landlord shall have the right (but not the obligation) to install powered blinds in some or all Exterior Rooms, as Landlord may elect, and at Tenant's expense. The third (and any subsequent) time Landlord notifies Tenant of a Lighting Issue, Landlord shall have the right (but not the obligation) to program or reprogram any powered blinds installed by Landlord or Tenant to be closed from dusk to dawn (or any shorter period as Landlord may elect), and Tenant will not override the same. The foregoing Landlord rights are cumulative and not alternative, meaning, by way of example, the third time Landlord notifies Tenant of a Lighting Issue, the Tenant must come up with and implement a remediation plan, Landlord may install powered blinds where it has not already done so already (if any windows remain), and Landlord may program or reprogram the powered blinds (if any). For the purposes of the foregoing provisions, "**Exterior Room**" shall mean any office, room and other area with a window visible from the exterior of the Building.

39. **Right to Expand**.

(a) **Expansion in the Building**. Tenant shall have the right, but not the obligation, to expand the Premises (the "**Expansion Right**") to include any Available Space upon the terms and conditions in this Section. For purposes of this Section 39(a), "**Available Space**" shall mean any space in the Building, which after the initial lease-up of such space is not occupied by a tenant or which is occupied by an existing tenant whose lease is expiring within 6 months or less and such tenant does not wish to renew (whether or not such tenant has a right to renew) its occupancy of such space. If there is any Available Space in the Building, Landlord shall, at such time as Landlord shall elect so long as Tenant's rights hereunder are preserved, deliver to Tenant written notice (the "**Expansion Notice**") of such Available Space, together with the terms and conditions on which Landlord is prepared to lease Tenant such Available Space (provided in the event there are at least five (5) years remaining on the Term as of the date of Landlord's delivery of the Expansion Notice, the Expansion Notice for such Available Space shall be for a term that is co-terminus with the existing Term). Tenant shall have 10 business days following delivery of the Expansion Notice to deliver to Landlord written notification of Tenant's exercise of the Expansion Right. Provided that no right to expand is exercised by any tenant with superior rights, Tenant shall be entitled to lease such Available Space upon the terms and conditions set forth in the Expansion Notice. Notwithstanding the

foregoing, nothing herein shall prevent Landlord from keeping space vacant or from using space for Amenities or for Landlord's other purpose (or from leasing the space to affiliates of Landlord in connection therewith), and in any such case, Landlord shall not be required to give an Expansion Notice, Tenant shall not have an Expansion Right with respect thereto and such space shall not be considered Available Space.

(b) **Amended Lease**. If: (i) Tenant fails to timely deliver notice accepting the terms of an Expansion Notice, or (ii) after the expiration of a period of 30 days from the date Tenant gives notice accepting Landlord's offer to lease such Available Space, no lease amendment or lease agreement for the Available Space has been executed, and Landlord tenders to Tenant an amendment to this Lease setting forth the terms for the rental of the Available Space consistent with those set forth in the Expansion Notice and otherwise consistent with the terms of this Lease and Tenant fails to execute such Lease amendment within 10 business days following such tender, Tenant shall be deemed to have waived its right to lease such Available Space; provided that in the case of clause (i) Landlord shall again be required to deliver an Expansion Notice prior to leasing the Available Space (or a portion thereof) to a third party if Landlord does not enter into lease(s) for the subject Available Space or portion thereof, as applicable, within 12 months of the original Expansion Notice to a third party(ies) for at least 92.5% of the Net Effective Rental Rate offered to Tenant. For purposes of this paragraph, the "**Net Effective Rental Rate**" shall mean the annual net rental rate payable to Landlord under a lease net of all tenant inducements (e.g., tenant improvement allowances, rental abatements, moving allowances), operating expense, and taxes, with the cost of such tenant inducements, together with interest thereon at a rate of eight percent (8%) per annum, amortized over the term of such lease.

(c) **Exceptions**. Notwithstanding the above, the Expansion Right shall, at Landlord's option, not be in effect and may not be exercised by Tenant:

(i) if Tenant is not then occupying at least 67% of the Premises;

(ii) during the final 24 months of the Term (unless Tenant then has the right to and validly concurrently exercises its right to extend the term in accordance with the requirements set forth in Section 40 hereof);

(iii) during any period of time that Tenant is in Default under any provision of this Lease; or

(iv) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during any 12 month period prior to the date on which Tenant seeks to exercise the Expansion Right, whether or not the Defaults are cured.

(d) **Termination**. The Expansion Right shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Expansion Right, if, after such exercise, but prior to the commencement date of the lease of such Available Space, Tenant fails to timely cure any default by Tenant under this Lease.

(e) **Subordinate**. Tenant's Expansion Rights granted pursuant to Section 39(a) above are and shall remain subject and subordinate to the right of Landlord and/or Landlord's affiliates (and/or any of their respective affiliates, successors and/or assigns) (i) to occupy all or a portion of the Available Space for its own purposes as a management and/or marketing office, or for common amenities serving the Project, or (ii) to elect to lease all or a portion of the Available Space to an affiliate of or third party to Landlord in connection with providing one or more of Alexandria Real Estate Equities, Inc.'s proprietary products (such as, by way of example, LaunchLabs® and GradLabs®);

(f) **Rights Personal**. Expansion Rights are personal to Kymera Therapeutics, Inc. and any assignee of this Lease under a Permitted Assignment (but not a subtenant) and otherwise are not

assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in this Lease.

(g) **No Extensions**. The period of time within which any Expansion Rights may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Expansion Rights.

40. **Right to Extend Term**. Tenant shall have the right to extend the Term of this Lease upon the following terms and conditions:

(a) **Extension Rights**. Tenant shall have 2 consecutive rights (each, an "**Extension Right**") to extend the term of this Lease for 5 years each (each, an "**Extension Term**") on the same terms and conditions as this Lease (other than with respect to Base Rent, which shall be determined as set forth below, and the Work Letter, which shall not be applicable) by giving Landlord written notice ("**Extension Notice**") of its election to exercise each Extension Right at least 12 months prior (but no earlier than 18 months prior) to the expiration of the Base Term of this Lease or the expiration of the then-current Extension Term.

(b) **Base Rent**. Upon the commencement of any Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined or determined by arbitration as provided below. As used herein, "**Market Rate**" shall mean the rate that comparable landlords of comparable buildings have accepted in current transactions from non-equity (i.e., not being offered equity in the buildings) and nonaffiliated tenants of similar financial strength for space of comparable size, quality (including all Tenant Improvements, Alterations and other improvements) and floor height in Class A laboratory/office buildings in the Project and in the Watertown, Allston, Brighton and West Cambridge markets for a comparable term, with the determination of the Market Rate to take into account all relevant factors, including, without limitation, tenant inducements, views, available amenities (including, without limitation, the Amenities), age of the Building, age of mechanical systems serving the Premises, parking availability, leasing commissions, and allowances or concessions, if any. Notwithstanding the foregoing, the Market Rate shall in no event be less than 95% of the Base Rent payable as of the date immediately preceding the commencement of the Extension Term increased by the Rent Adjustment Percentage multiplied by such Base Rent.

If Tenant gives a valid Extension Notice, then Landlord shall deliver to Tenant Landlord's determination of the Market Rate no later than the later of (x) 30 days after delivery of Tenant's Extension Notice or (y) 11 months prior to the expiration of the Term. If, on or before the date which is 180 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 40(c). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 40(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of this Lease for the Extension Term.

(c) **Arbitration**.

(i) Within 10 business days of Tenant's deemed election to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**"). If Landlord fails to timely submit an Extension Proposal, Landlord's original submission will be used for this purpose. If Tenant fails to timely submit an Extension Proposal, Landlord's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both Parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 business days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable

to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 business days after the meeting, select an Arbitrator. If either Party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either Party, on behalf of both Parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the Parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the Parties. Each Party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both Parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the Parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An "**Arbitrator**" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in Greater Boston, or (B) a licensed commercial real estate broker with not less than 15 years' experience representing landlords and/or tenants in the leasing of high tech or life sciences space in Greater Boston, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(d) **Rights Personal**. Extension Rights are personal to Kymera Therapeutics, Inc. and any assignee of this Lease under a Permitted Assignment (but not a subtenant) and otherwise are not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in this Lease.

(e) **Exceptions**. Notwithstanding anything set forth above to the contrary, Extension Rights shall, at Landlord's option, not be in effect and Tenant may not exercise any of the Extension Rights:

(i) if Tenant is not then occupying at least 67% of the Premises;

(ii) during any period of time that Tenant is in Default under any provision of this Lease; or

(iii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during any 12 month period prior to the date that Tenant intends to exercise the Extension Right, whether or not the Defaults are cured.

(f) **No Extensions**. The period of time within which any Extension Rights may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Rights.

(g) **Termination**. The Extension Rights shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of an Extension Right, if, after such exercise,

but prior to the commencement date of an Extension Term, Tenant fails to timely cure any default by Tenant under this Lease.

41. **Shuttle Service**. During the Term, Landlord may provide or otherwise arrange for (but shall not be obligated to provide or otherwise arrange for) Shuttle Service to and from the Project on weekdays (subject to weather conditions, holidays, Force Majeure), and Tenant's employees shall, subject to seating availability, have the right to use such Shuttle Service at all times that such Shuttle Service is in operation and available for use by tenants of the Project. "**Shuttle Service**" shall mean shuttle bus service provided or contracted for by Landlord between the Project and various commuting locations in the Watertown/Cambridge/Boston area, as determined by Landlord from time to time. Landlord shall have the right to adjust the schedule, frequency, and route(s) of the Shuttle Service as it determines based upon usage. No fee shall be charged to any passenger that utilizes the Shuttle Service, provided that all costs of such Shuttle Service shall be included as part of Operating Expenses. Tenant's use of the Shuttle Service shall be at Tenant's sole risk, and Tenant hereby acknowledges that Landlord shall have no liability with respect thereto. Tenant shall indemnify, defend and hold Landlord harmless from and against any Claims by any of Tenant's employees or invitees related to the Shuttle Service or any personal injury or property damage related thereto or arising therefrom.

42. **Roof Equipment**. As long as Tenant is not in Default under this Lease, Tenant shall have the right, at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the area on the top of the roof of the Building shown on **Exhibit H** attached hereto, an emergency generator, rooftop condensers, and other comparable laboratory equipment as Tenant may request from time-to-time to the extent compatible with and space is available on core dunnage structural support previously erected by Landlord (if any) or otherwise on core dunnage structural support to be erected by Tenant in accordance with this Lease and subject to Landlord approval of the size and weight capacity thereof and plans and specifications therefor (collectively, the "**Roof Equipment**").

(a) **Requirements**. Tenant shall submit to Landlord for Landlord's approval (i) the plans and specifications for the installation of the Roof Equipment, (ii) copies of all required governmental, quasi-governmental and other permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, for the installation and operation of the Roof Equipment, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof Equipment; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leasable space in the Building, or (E) is not properly screened from the viewing public.

(b) **No Damage to Roof**. If installation of the Roof Equipment requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building allocated to Tenant by Landlord and only in the manner designated in writing by Landlord; and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord. If Tenant or its agents shall cause any damage to the roof during the installation, operation, and removal of the Roof Equipment, such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge Tenant Additional Rent for the installation and use of the Roof Equipment. If, however, Landlord's insurance premium or Tax assessment increases as a result of the Roof Equipment, Tenant shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord. Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Roof Equipment. In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by Tenant or its agents void, terminate, or invalidate any applicable roof warranty.

(c) **Protection**. The installation, operation, and removal of the Roof Equipment shall be at Tenant's sole risk. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Roof Equipment.

(d) **Removal**. At the expiration or earlier termination of this Lease or the discontinuance of the use of the Roof Equipment by Tenant, Tenant shall, at its sole cost and expense, remove the Roof Equipment from the Building. Tenant shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted. If Tenant does not so remove the Roof Equipment, Tenant hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. Tenant agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord.

(e) **No Interference**. Tenant shall not permit the Roof Equipment to interfere with the proper functioning of any devices or equipment that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building.

(f) **Relocation**. Landlord shall have the right, at its expense and after 60 days prior notice to Tenant, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and does not unreasonably interfere with Tenant's use and operation of the Roof Equipment.

(g) **Access**. Landlord grants to Tenant the right of ingress and egress on a 24-hour 7-day per week basis to install, operate, and maintain the Roof Equipment. Before receiving access to the roof of the Building, Tenant shall give Landlord at least 24 hours' advance written or oral notice, except in emergency situations, in which case 2 hours' advance oral notice shall be given by Tenant. Landlord shall supply Tenant with the name and telephone number of the contact individual(s) responsible for providing access during emergencies.

(h) **Appearance**. If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level.

(i) **No Assignment**. The right of Tenant to use and operate the Roof Equipment shall be personal solely to Kymera Therapeutics, Inc., and its assignee or successor by virtue of a Permitted Assignment and (i) no other person or entity shall have any right to use or operate the Roof Equipment, and (ii) Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof.

(j) **Acknowledgement**. Tenant hereby acknowledges that (i) the Project is listed as a historic district on the National Register of Historic Places, and is subject to historic preservation restrictions by the instruments identified in Section 44 below, as well as local, state and federal requirements, (ii) as part of Tenant's obligation to comply with Legal Requirements, the Rooftop Equipment must comply with all such restrictions, and (iii) as a result, Tenant's ability to utilize the Rooftop Equipment may be frustrated.

43. **Intentionally Omitted**.

44. **Disclosure of Encumbrances**.

(a) **Acknowledgement**. Tenant hereby acknowledges that the Project is a historic site listed on the National Register of Historic Places that was formerly owned and operated by the United States Army for research and production of military weapons and related materials dating back to the mid-1800s, and

that such uses included those that impacted the environmental condition of the Project. Accordingly, the Project is subject to various restrictions related to the historical significance of certain aspects of the Project and environmental contamination of other aspects of the Project. Tenant has been given the opportunity to review all such matters to its satisfaction and Landlord makes no representations, warranties or assurances with respect thereto.

(b) **Deed**. Notwithstanding anything contained in this Lease to the contrary, the Premises (and Tenant's rights therein) are subject to all easements, restrictions and encumbrances now or hereafter of record so long as the same may be in force and effect, including without limitation all easements, restrictions and covenants contained in that certain Quitclaim Deed dated August 20, 1998, recorded with the Middlesex Southern District Registry of Deeds at Book 29012, Page 420, from the United States of America, acting by and through the Secretary of the Army (the "**Army**"), to the Watertown Arsenal Development Corporation, with respect to the Premises (the "**Army Deed**"), which Army Deed is incorporated by reference and includes, without limitation, (i) covenants in Part IV of the Army Deed associated with the Army's obligations under the Federal Facility Agreement between the Army and the United States Environmental Protection Agency and (ii) covenants in Part XI associated with certain historical resources at the Premises.

(c) **Environmental Grant**. Notice is hereby given that a Grant of Environmental Restriction and Easement, dated August 11, 1998, pursuant to Massachusetts General Laws Chapter 21E, has been recorded by the Army with the Middlesex Southern District Registry of Deeds at Book 28978, Page 549; as amended by a First Amendment to Grant of Environmental Restriction and Easement, dated February 5, 1999, recorded at Book 29779, Page 359; as affected by a Subordination Agreement, dated March 16, 1999, recorded at Book 29957, Page 104; as further affected by a Subordination Agreement, dated March 24, 1999, recorded at Book 29985, Page 151; as further amended by a Second Amendment to Grant of Environmental Restriction and Easement, dated April 15, 1999, recorded at Book 30066, Page 116; as further affected by a Partial Release of Environmental Restriction and Easement, dated June 10, 1999, recorded at Book 30278, Page 511; as further amended by a Third Amendment to Grant of Environmental Restriction and Easement, dated June 7, 1999, recorded at Book 30278, Page 513; as further amended by a Fourth Amendment to Grant of Environmental Restriction and Easement, dated July 22, 2000, recorded at Book 31682, Page 99; as further amended by a Fifth Amendment to Grant of Environmental Restriction and Easement dated July 14, 2004, and recorded with said Registry of Deeds in Book 44119, Page 1; as affected by a plan entitled "Plan Showing Excavation Areas B, E, and G in Watertown, Massachusetts," dated February 20, 2002, as revised on September 25, 2002, prepared by Dunn McKenzie, Inc., recorded as Plan No. 1348 of 2004; as further amended by a Sixth Amendment to Grant of Environmental Restriction and Easement dated March 21, 2005, and recorded with said Registry of Deeds in Book 45129, Page 1; as further affected by a plan entitled "Plan Showing Commercial Reuse Area in Watertown, Massachusetts," dated October 25, 2004, as revised on March 16, 2005, prepared by Dunn McKenzie, Inc., recorded as Plan No. 523 of 2005; as further amended by a Seventh Amendment to Grant of Environmental Restriction and Easement dated August 9, 2006, and recorded with said Registry of Deeds in Book 48562, Page 187; and as further affected by a plan entitled "Plan Showing Commercial Reuse Area in Watertown, Massachusetts," dated August 16, 2004, as revised on March 16, 2005 and February 10, 2006, prepared by Dunn McKenzie, Inc., recorded as Plan No. 1480 of 2006 (the "**Grant**"). This restriction on the activities conducted on the Premises and use limitations contained in the Grant are hereby incorporated by reference and shall be independently enforceable by the Army under the Grant as a restrictive covenant and equitable servitude.

(d) **Activity and Use Limitations**. Notice is hereby further given that the following three (3) Notices of Activity and Use Limitations, pursuant to Massachusetts General Laws Chapter 21E, have been recorded with the Middlesex Southern District Registry of Deeds: (i) dated August 11, 1998, recorded at Book 28959, Page 92; (ii) dated August 11, 1998, recorded at Book 28959, Page 190, as amended by a First Amendment to Notice of Activity and Use Limitations, dated October 26, 1999, recorded at Book 30801, Page 319, as further amended by a Second Amendment to Notice of Activity and Use Limitations, dated December 9, 2019, recorded at Book 73807, Page 226; and (iii) dated February 4, 1999, recorded at Book 29766, Page

17, as amended by a First Amendment to Notice of Activity and Use Limitations, dated August 19th, 2004, recorded at Book 43589, Page 438, and as further amended by a Second Amendment to Notice of Activity and Use Limitation, dated February 28, 2005, recorded at Book 44737, Page 453 (collectively, the "**Notices of AULs**"). The restriction on activities conducted on the Premises and use limitations contained in the Notices of AULs are hereby incorporated by reference and shall be independently enforceable by the Army as a restrictive covenant and equitable servitude.

45. **Miscellaneous**.

(a) **Notices**. All notices or other communications between the Parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the Parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "**Tenant**," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information**. Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent audited annual financial statements within 90 days of the end of each of Tenant's fiscal years during the Term, (ii) Tenant's most recent unaudited quarterly financial statements within 45 days of the end of each of Tenant's fiscal quarters during each of Tenant's fiscal years during the Term, (iii) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders. So long as Tenant is a "public company" and its financial information is publicly available, then the foregoing delivery requirements of this Section 45(c) shall not apply.

(d) **Recordation**. Except as expressly set forth herein, neither this Lease nor a notice of lease shall be filed by or on behalf of Tenant in any public record. This Lease shall not be filed by or on behalf of Tenant in any public record, except as required by law in connection with Tenant's SEC obligations (if any). At the request of either party, Landlord shall prepare, and Tenant will execute, a notice of lease in the statutory form containing only the minimum information required by law, which Tenant shall then cause to have recorded in the applicable public record at Tenant's expense. If a notice of lease shall be filed, prior to the expiration or earlier termination of this Lease and as a condition to satisfaction of Tenant's requirements to surrender the Premises, Tenant shall execute and deliver to Landlord a duly executed and acknowledged notice of expiration or termination of lease in a mutually acceptable form (the "**Notice of Termination**"), acknowledging the expiration or termination of this Lease. For the avoidance of doubt, at Landlord's election, Tenant will be considered to be holding over in the Premises and subject to Landlord's rights and remedies for a holdover unless and until Tenant has executed and delivered to Landlord such a Notice of Termination, whether or not a subsequent tenant is then in occupancy. This Section 45(d) shall survive the expiration or earlier termination of this Lease.

(e) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease. Each term and provision of this Lease to be performed and observed by Tenant shall be construed to be both a covenant and a condition. Tenant's covenants contained in this Lease are independent and not dependent, and Tenant hereby waives the benefit of any statute or judicial law to the

contrary. Tenant's obligation to pay Rent shall not be discharged or otherwise affected by any law or regulation now or hereafter applicable to the Premises, or any other restriction on Tenant's use, or (except as expressly provided in this Lease) any casualty or taking, or any failure by Landlord to perform any covenant contained herein, or any other occurrence; and no termination or abatement remedy that is not expressly provided for in this Lease for any breach or failure by Landlord to perform any obligation under this Lease shall be implied or applicable as a matter of law.

(f) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both Parties.

(g) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the Commonwealth of Massachusetts, excluding any principles of conflicts of laws. Each of Landlord and Tenant acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Lease shall be dealt with by application of the laws of the Commonwealth of Massachusetts and adjudicated in the state courts of the Commonwealth of Massachusetts sitting in Middlesex County or the United States District Court for the District of Massachusetts; and hereby expressly and irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Lease. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners permitted by law, shall be necessary in order to confer jurisdiction upon either party in any such court.

(i) **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease.

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

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

executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

The provisions of this subsection (j) shall not apply to any interests in Tenant or Landlord held as shares publicly traded on a nationally recognized U.S. stock exchange.

(k) **Incorporation by Reference**. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement**. This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the Parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **No Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities**. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **Redevelopment of Project**. Tenant acknowledges that Landlord intends to undertake significant renovations and/or construction at the Project, including, without limitation, for lab, office and retail uses, and including, without limitation, the creation of one or more Amenities or Amenity buildings or centers. Landlord expressly reserves the right, in its sole discretion, from time to time to expand, develop, renovate, redevelop, alter, improve, maintain, construct, demolish, relocate and/or reconfigure the Project (or portions thereof) and buildings, Common Areas (including parking and site drives) and other improvements therein, as the same may exist from time to time and, in connection therewith or in addition thereto, as the case may be, from time to time without limitation: (a) change the shape, size, location, number and/or extent or existence of any improvements, buildings, structures, lobbies, hallways, entrances, exits, parking and/or parking areas; (b) modify, eliminate and/or add any buildings, improvements, and parking structure(s) either above or below grade, from or to the Project, the Amenities or other Common Areas and/or any other portion of the Project and/or make any other changes thereto affecting the same; (c) amend any existing land use and zoning approvals for the Project (including, without limitation, any special permit applicable to the Project) and seek additional approvals, relief or zoning amendments in connection with any future expansion, development, renovation, redevelopment, alteration, demolition, relocation, improvement, operation, maintenance or repair of the Project (including, without limitation, the Common Areas); and (d) make any other changes, additions and/or deletions in any way affecting the Project and/or any portion thereof as Landlord may elect from time to time, including without limitation, creation and/or elimination of, and/or additions to and/or deletions from, the land comprising the Project, the Amenities or other Common Areas and/or any other portion of the Project. Landlord shall have the right, in connection with such contemplated activities, to subject the Project and its appurtenant rights to

easements for the construction, reconstruction, alteration, demolition, relocation, improvement, operation, repair or maintenance of elements thereof, for access and egress, for parking, for the installation, maintenance, repair, replacement or relocation of utilities serving the Project, and to subject the Project to such other rights, agreements, and covenants for such purposes as Landlord may determine; provided that such rights, agreements, and covenants do not (i) change Tenant's Permitted Use of the Premises, (ii) materially increase any of Tenant's obligations pursuant to this Lease, or (iii) materially reduce any of Tenant's express rights pursuant to this Lease. This Lease shall be subject and subordinate to all such matters. For the avoidance of doubt, however, Landlord shall have no obligation to undertake any action described in this Section 45(o), and Tenant is not entering into this Lease in reliance of Landlord making any alteration to the Project (other than construction of the Building) or any other action described in this Section 45(o).

Tenant hereby agrees that this Lease shall be subject and subordinate to any expansion, development, renovation, redevelopment, alteration, improvement, maintenance, demolition, relocation and/or reconfiguration activity, or any other matter set forth in this Section 45(o), and, in connection with such activity or matter. Landlord may, from time to time, cause the rentable square footage of the Premises, the Building and/or the Project to be remeasured by Landlord's architect. Neither Tenant nor any affiliate of Tenant shall take any action, directly or indirectly, to oppose any of the foregoing activities by Landlord or its affiliates. Landlord and its agents, employees, licensees and contractors shall also have the right to undertake work pursuant to any actions contemplated above; to shore up the foundations and/or walls of the Building (or any other structures within the Project); to erect scaffolding and protective barricades around, within or adjacent to the Building (or any other structures within the Project); to close off Common Areas; and to do any other act necessary for the safety of the Building (or any other structures within the Project) or the expeditious completion of such work. Tenant acknowledges that construction noise, vibrations and dust, and alterations of traffic patterns or parking, associated with construction activities are to be expected during the course of such construction. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no right to cancel or terminate this Lease and Landlord shall not be liable to Tenant for any damages, compensation or reduction of Rent by reason of (i) inconvenience or annoyance or for loss of business resulting from any act by Landlord pursuant to this Section 45(o), or (ii) any changes, expansion, renovation or reconfiguration of the Project; nor shall Tenant have the right to restrict, inhibit or prohibit any such changes, expansion, renovation or reconfiguration. Landlord shall not change Tenant's Permitted Use of the Premises, and Landlord shall use commercially reasonable efforts to mitigate the impacts of Landlord's construction activities on the Premises.

(p) **Discontinued Use. E**xcept as set forth below in this subsection (p), if, at any time following the Commencement Date, Tenant does not continuously operate its business in the Premises for a period of 90 consecutive days, Landlord may, but is not obligated to, elect to terminate this Lease upon 30 days' written notice to Tenant, whereupon this Lease shall terminate 30 days after Landlord's delivery of such written notice ("**Termination Date**"), and Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required by the terms of this Lease on or before the Termination Date and Tenant shall have no further obligations under this Lease except for those accruing prior to the Termination Date and those which, pursuant to the terms of this Lease, survive the expiration or early termination of this Lease; provided, however, that such termination notice shall be null and void and the Term shall continue if Tenant in good faith resumes full operations in the Premises prior to the Termination Date and timely certifies to Landlord the same in writing. Further, and notwithstanding the foregoing, Landlord shall not have such termination right if Tenant provides Landlord with reasonable advance notice prior to stopping operations and, at the time of stopping operations, (i) Tenant completes Tenant's obligations under the Decommissioning and HazMat Closure Plan in compliance with Section 28, (ii) Tenant has obtained the release of the Premises of all Hazardous Materials Clearances and the Premises are free from any residual impact from the Tenant HazMat Operations, and Tenant provides reasonably detailed documentation to Landlord confirming such matters, (iii) Tenant has made reasonable arrangements with Landlord for the security of the Premises for the balance of the Term, and (iv) Tenant continues during the balance of the Term to satisfy and perform all of Tenant's obligations under this Lease as they come due; provided that,

for reasonable periods due to casualty, alterations, Tenant shall only be required to comply with clauses (i), (iii), and (iv).

(q) **Counterparts**. This Lease may be executed in 2 or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U.S. federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this Lease and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

(r) **Non-Disclosure of Terms**. Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of such terms may adversely affect the ability of Landlord and its affiliates to negotiate, manage, and administer other leases and impair Landlord's relationship with other tenants. Accordingly, as a material inducement for Landlord to enter into this Lease, Tenant, on behalf of itself and its partners, managers, members, officers, directors, employees, agents, and attorneys, agrees that it shall not disclose the terms and conditions of this Lease to any publication or other media or any tenant or apparent prospective tenant of the Building or other portion of the Project, or real estate agent or broker, either directly or indirectly.

(s) **Prevailing Party's Fees**. In the event that either party should bring suit or commence any suit or proceeding related to this Lease, then all reasonable out of pocket fees, costs and expenses, including reasonable attorneys' fees and expert fees, incurred by the prevailing party relating to such legal action shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

KYMERA THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Bruce Jacobs
Name: Bruce Jacobs
Title: CFO

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

LANDLORD:

ARE-MA REGION NO. 75, LLC,
a Delaware limited liability company

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

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

By: /s/ Allison Grochola
Name: Allison Grochola
Title: SVP – Real Estate Legal Affairs

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

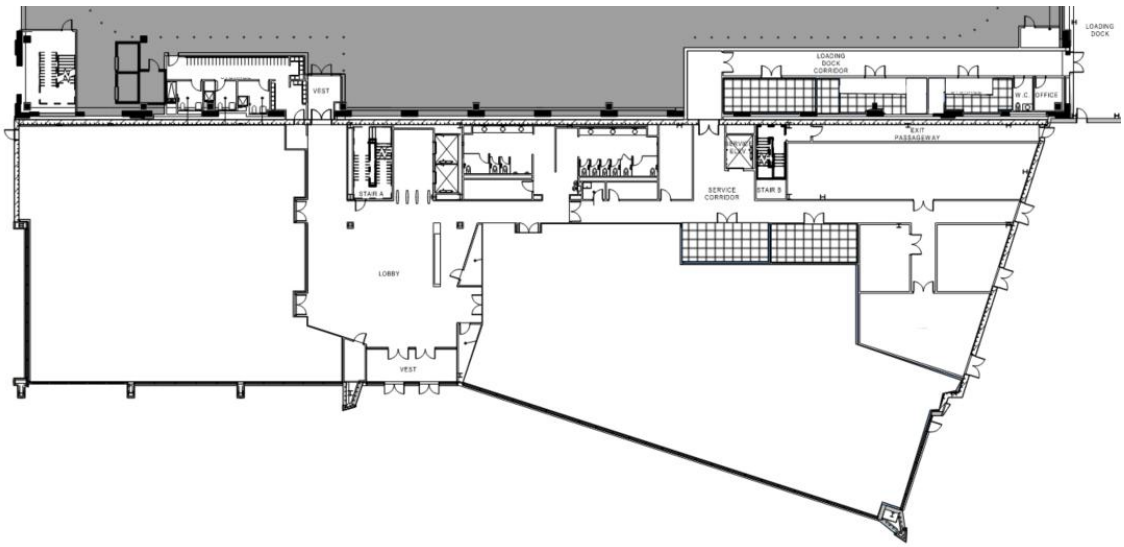
Exhibit 10.13

EXHIBIT A

DESCRIPTION OF PREMISES

Premises

AOTC Building 1, Floor 1



AOTC Building 1, Floor 2 – Suite 201

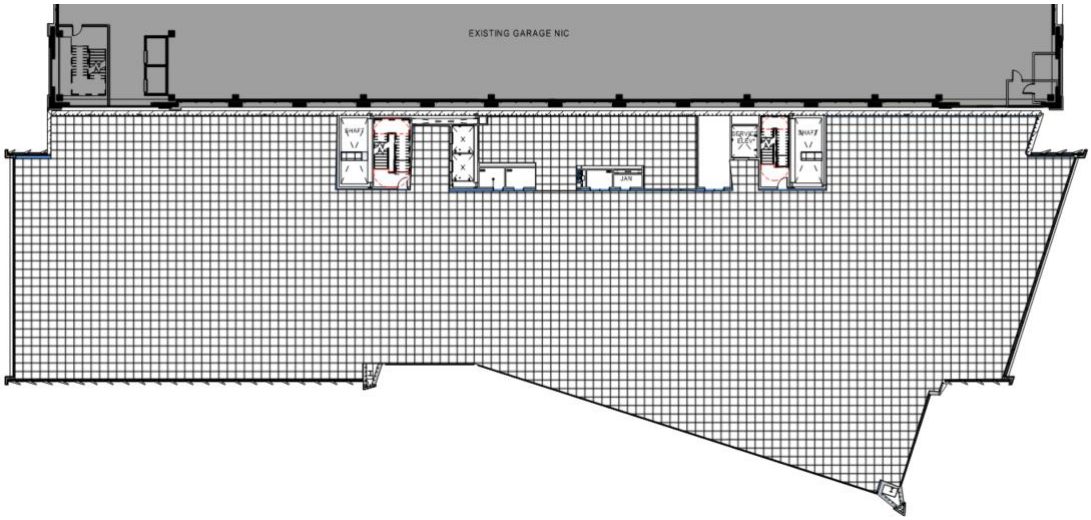
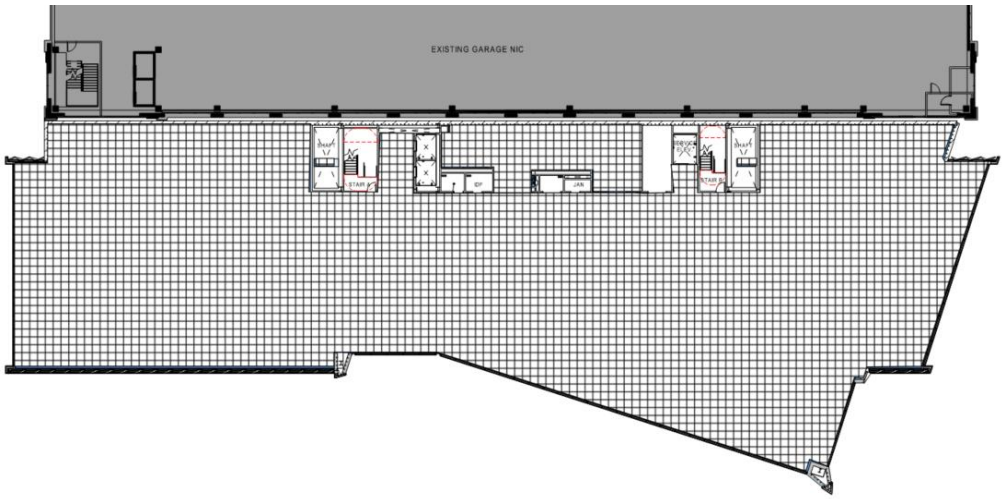
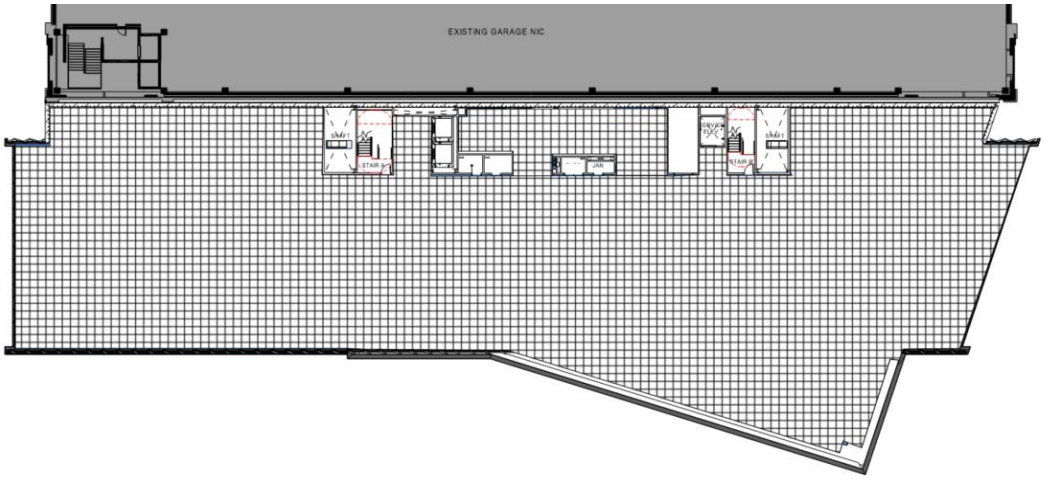


Exhibit 10.13

AOTC Building 1, Floor 3 – Suite 301



AOTC Building 1, Floor 4 – Suite 401



AOTC Building 1, Penthouse

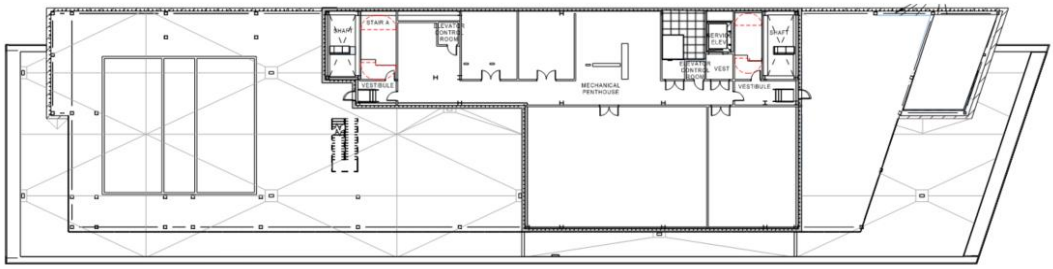


Exhibit 10.13

EXHIBIT B

DESCRIPTION OF PROJECT

A certain parcel of land with the buildings thereon situated on the Southerly side of Arsenal Street in Watertown, Middlesex County, Massachusetts and being shown as Lot 1 on a plan entitled “Plan of Land in Watertown, Massachusetts” dated June 19, 1997, prepared by Dunn-McKenzie, Inc. and recorded with the Middlesex South Registry of Deeds on August 5, 1998 as Plan No. 832 in Book 28930, Page 478, bounded and described as follows:

Beginning on the southerly sideline of Arsenal Street at the Northwesterly corner of Arsenal Associates Land being the Northeasterly corner of Lot 1 on the easterly sideline of Talcott Street (a private road); thence

SOUTH 13° 53’-39” WEST a distance of 737.70 feet by Arsenal Associates and Town of Watertown land to an angle in said property; thence

SOUTH 11° 42’-25” EAST a distance of 2.67 feet to a corner of Lot 2; thence

NORTH 76° 03’-07” WEST a distance of 438.96 feet through a granite bound to a Hex-rod (set) for a corner; thence

SOUTH 19° 17’-48” WEST a distance of 125.38 feet to an Iron Rod (set) for a corner; thence

SOUTH 50° 21’-36” WEST a distance of 163.25 feet to an Iron Rod (set) at North Beacon Street on curve for a corner; thence

NORTHWESTERLY on a curve to the right having a radius of 586.00 feet, an arc distance of 160.79 feet to the point of tangency; thence

NORTH 20° 36’-23” WEST a distance of 292.07 feet to the point of curvature; thence

NORTHWESTERLY on a curve to the left having a radius of 627.44 feet, an arc distance of 465.40 feet to the point of tangency; thence

NORTH 63° 06’-20” WEST a distance of 707.76 feet to a slight angle break; thence

NORTH 63° 43’50” WEST a distance of 101.12 feet to a corner of land of Burnham Manning Post #1105-Veterans of Foreign Wars of U.S.A., Inc. the last five courses being by North Beacon Street; thence

NORTH 25° 59’-00” EAST a distance of 435.94 feet to a corner of Arsenal Street; thence

SOUTH 69° 39’-19” EAST a distance of 1455.13 feet to a Stone Bound at a slight angle break; thence

SOUTH 68° 05’-21” EAST a distance of 451.60 feet to a corner at the point and place of beginning, the last two courses being by Arsenal Street.

Lot 1 contains 1,281,841 square feet (29.42 Acres) more or less.

EXHIBIT C

WORK LETTER

This WORK LETTER (this "**Work Letter**") is incorporated into that certain Lease Agreement (the "**Lease**") dated as of December 20, 2021, by and between ARE-MA REGION NO. 75, LLC, a Delaware corporation ("**Landlord**"), and KYMERA THERAPEUTICS, INC., a Delaware corporation ("**Tenant**"). Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. **General Requirements**.

(a) **Tenant's Authorized Representative**. Tenant designates Kevin Dushney and Bruce Jacobs (either such individual acting alone, "**Tenant's Representative**") as the only persons authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("**Communication**") from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant's Representative. Tenant may change either Tenant's Representative at any time upon not less than 5 business days advance written notice to Landlord. Neither Tenant nor Tenant's Representative shall be authorized to direct Landlord's contractors in the performance of Landlord's Work (as hereinafter defined).

(b) **Landlord's Authorized Representative**. Landlord designates Suzie Markin and Dante Angelucci (either such individual acting alone, "**Landlord's Representative**") as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord's Representative. Landlord may change either Landlord's Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord's Representative shall be the sole persons authorized to direct Landlord's contractors in the performance of Landlord's Work.

(c) **Architects, Consultants and Contractors**. Landlord and Tenant hereby acknowledge and agree that: (i) AECOM Tishman shall be the general contractor, (ii) any subcontractors for the Tenant Improvements shall be selected by Landlord, (iii) OTJ Architects shall be the architect (the "**TI Architect**") for the Tenant Improvements, and (iv) BR+A Consulting Engineers shall be the MEP/FP engineer for the Tenant Improvements. Tenant shall contract directly with the TI Architect and BR+A Consulting Engineer. Landlord shall be named a third party beneficiary of any contract entered into by Tenant with the TI Architect, BR+A Consulting Engineers, and any other consultant providing design or engineering services for the Tenant Improvements, including any warranty made by any of the foregoing. Tenant shall deliver copies of all such contracts to Landlord.

2. **Improvements**.

(a) **Base Building**. All aspects of the design, permitting and construction of the Building shall be determined by Landlord in its sole and absolute discretion (other than certain aspects of the Tenant Improvements (as defined in Section 2(b) below) within the interior of the Premises, which shall be subject to the input of Tenant to the extent expressly set forth herein below).

(b) **Tenant Improvements Defined**. As used herein, "**Tenant Improvements**" shall mean all improvements to the Premises of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Section 2(d) below. Other than Landlord's Work (as defined in Section 3(a) below), Landlord shall not have any obligation whatsoever with respect to the finishing of the Building or the Premises for Tenant's use and occupancy.

(c) **Tenant's Space Plans**. Tenant has delivered to Landlord and the TI Architect, and Landlord has approved, the schematic drawings and outline specifications attached to this Work Letter as **Schedule 1** (the "**TI Design Drawings**") detailing Tenant's requirements for the Tenant Improvements.

(d) **Working Drawings**. Not later than June 28, 2022, Tenant shall cause the TI Architect to prepare and deliver to Landlord for review and comment or approval construction plans, specifications and drawings for the Tenant

Improvements ("**Proposed TI Construction Drawings**"), which Proposed TI Construction Drawings shall be prepared substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the Proposed TI Construction Drawings reflect Tenant's requirements for the Tenant Improvements. Landlord shall deliver its written comments on the Proposed TI Construction Drawings to Tenant not later than 14 days after Landlord's receipt of the same; provided, however, that Landlord may not disapprove any matter that is consistent with the TI Design Drawings previously approved in writing by Landlord (provided it does not affect the base Building, structural components of the Building, Building systems or the project schedule). Tenant shall resubmit revised Proposed TI Construction Drawings to Landlord addressing Landlord's comments for Landlord's review, comment or approval, and the foregoing process will be repeated until Landlord approves the Proposed TI Construction Drawings, which shall then be referred to as the "**TI Construction Drawings**." Any disputes in connection with such comments shall be resolved in accordance with Section 2(e) hereof. Once approved by Landlord, subject to the provisions of Section 4 below, Tenant shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below).

(e) **Approval and Completion**. It is hereby acknowledged by Landlord and Tenant that the TI Construction Drawings must be completed and approved by Landlord and Tenant not later than July 26, 2022, in order for the Landlord's Work to be Substantially Complete by the Target Commencement Date (as defined in the Lease), and it shall be a Tenant Delay, without further notice from Landlord, if the TI Construction Drawings are not completed and approved by Landlord and Tenant by such date. Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 14 days after delivery of written notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with or a compromise between Landlord's and Tenant's positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant's decision will not affect the base Building, structural components of the Building, any Building systems, or the project schedule. Any changes to the TI Construction Drawings following Landlord's and Tenant's approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

3. **Performance of Landlord's Work**.

(a) **Definition of Landlord's Work**. As used herein, "**Landlord's Work**" shall mean (a) the work of constructing the Tenant Improvements and (b) the work of completing the improvements identified as "Base Building Delivery Condition" on the matrix attached hereto as **Schedule 2** (the "**Base Building Work**"). Tenant shall be solely responsible for ensuring that the design and specifications for Landlord's Work are consistent with Tenant's requirements. Landlord shall be responsible for obtaining all permits, approvals and entitlements necessary for Landlord's Work, but shall have no obligation to, and shall not, secure any permits, approvals or entitlements related to Tenant's specific use of the Premises or Tenant's business operations therein, all of which Tenant shall be obligated to obtain.

(b) **Commencement and Permitting**. Landlord shall commence construction of the Tenant Improvements upon obtaining a building permit (the "**TI Permit**") authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Landlord. The cost of obtaining the TI Permit shall be payable from the TI Fund. Tenant shall reasonably assist Landlord in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord's Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord's obligations hereunder, (ii) increase the cost of constructing Landlord's Work, or (iii) will materially delay the construction of Landlord's Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(c) **Completion of Base Building Work**. Landlord shall, at Landlord's sole cost and expense, substantially complete or cause to be substantially completed the Base Building Work in a good and workmanlike manner pursuant to Landlord's plans and specifications therefor, as Landlord may revise the same from time to time, provided such revisions do not have a material adverse effect on the functionality of the Premises for its intended use.

(d) **Completion of Tenant Improvements**. Landlord shall substantially complete or cause to be substantially completed the Tenant Improvements in a good and workmanlike manner, in accordance with the TI Permit subject, in each case, to Minor Variations and normal "punch list" items of a non-material nature that do not interfere with the use

of the Premises as determined by Landlord's Authorized Representative and Tenant's Authorized Representative (and in the event of any disagreement between Landlord's Authorized Representative and Tenant's Authorized Representative, the determination of Landlord's architect shall be final, binding and conclusive) ("**Substantial Completion**" or "**Substantially Complete**"). It shall be a condition of such Substantial Completion that a certificate of occupancy permitting lawful occupancy (temporary or permanent) or a signed building card from the city inspectors has been issued or obtained permitting lawful occupancy of the space unless the same cannot be obtained due to work or other activities of Tenant. In the event a permanent certificate of occupancy is not issued, Landlord agrees to use commercially reasonable efforts to obtain the same following Substantial Completion. Upon Substantial Completion of Landlord's Work, Tenant shall require the TI Architect and Landlord shall require the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects ("**AIA**") document G704. For purposes of this Work Letter, "**Minor Variations**" shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to Landlord's Work; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations, conditions encountered during the construction of Landlord's Work, or changes to the base Building.

(e) **Selection of Materials**. Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Landlord and Tenant, the option will be selected at Landlord's sole and absolute subjective discretion. As to all building materials and equipment that Landlord is obligated to supply under this Work Letter, Landlord shall select the manufacturer thereof in its sole and absolute subjective discretion.

(f) **Delivery of the Premises**. When Landlord's Work is Substantially Complete, subject to the remaining terms and provisions of this Section 3(f), Tenant shall accept the Premises. Tenant's taking possession and acceptance of the Premises shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers), (ii) any non-compliance of Landlord's Work with applicable Legal Requirements, or (iii) any claim that Landlord's Work was not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a "**Construction Defect**"). Tenant shall have one year after Substantial Completion within which to notify Landlord of any such Construction Defect in the Base Building Work or the Tenant Improvements discovered by Tenant, and Landlord shall use reasonable efforts to remedy or cause the responsible contractor to remedy any such Construction Defect in the Base Building Work or the Tenant Improvements within 30 days thereafter. Notwithstanding the foregoing, Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord's reasonable efforts, fails to remedy such Construction Defect of the Base Building Work or the Tenant Improvements within such 30-day period, in which case Landlord shall have no further obligation with respect to such Construction Defect of the Base Building Work or the Tenant Improvements other than to cooperate, at no cost to Landlord, with Tenant should Tenant elect to pursue a claim against such contractor for the Base Building Work or the Tenant Improvements, provided that Tenant shall defend with counsel reasonably acceptable to Landlord, indemnify and hold Landlord harmless from and against any claims arising out of or in connection with any such claim.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer's equipment warranties relating to equipment installed in the Premises, and Landlord shall use commercially reasonable efforts to enforce such warranties at Tenant's request and, at Tenant's request, shall reasonably cooperate with Tenant to enforce such warranties, in each case, at no cost or expense to Landlord. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely out of the TI Fund. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items.

(g) **Commencement Date Delay**. Except as otherwise provided in the Lease, Delivery of the Premises shall occur when Landlord's Work has been Substantially Completed, except to the extent that completion of Landlord's Work shall have been actually delayed by any one or more of the following causes ("**Tenant Delay**"):

(i) Tenant's Representative was not available to give or receive any Communication or to take any other action required to be taken by Tenant hereunder within 2 business days following receipt of Communication (whether verbal or otherwise) with respect thereto;

(ii) Tenant's request for Change Requests (as defined in Section 4(a) below) whether or not any such Change Requests are actually performed provided that Landlord delivers to Tenant notice of its estimate of a delay caused to address such Change Request (it being acknowledged the actual Tenant Delay is not limited to such estimate);

(iii) Construction of any Change Requests provided that Landlord delivers to Tenant notice of its estimate of a delay caused to address such Change Request (it being acknowledged the actual Tenant Delay is not limited to such estimate);

(iv) Tenant's request for materials, finishes or installations requiring unusually long lead times, provided Landlord delivers notice (which may be informal via email or verbal) of such long lead time (or anticipated lead time);

(v) Tenant's delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein;

(vi) Tenant's delay in providing information identified by Landlord as critical to the normal progression of the Project beyond the periods set forth herein (or if no period is specified herein, then the period specified by Landlord in its request to Tenant for such information). Tenant shall provide such critical information as soon as reasonably possible, but in no event longer than one week after receipt of any request for such information from Landlord;

(vii) Tenant's delay in making payments to Landlord for Excess TI Costs (as defined in Section 5(d) below) beyond the period set forth herein; or

(viii) Any other act or omission (where Tenant has a duty to act) by Tenant or any Tenant Party (as defined in the Lease), or persons employed by any of such persons which continues for 2 business days after notice (which may be verbal and shall be deemed given if discussed in a construction or design meeting of which Tenant was notified in advance and entitled to attend).

If Delivery is delayed for any of the foregoing reasons, then Landlord shall cause the Landlord's architect to certify the date on which the Tenant Improvements would have been Substantially Completed but for such Tenant Delay and such certified date shall be the date of Delivery.

4. **Changes**. Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the TI Design Drawings shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord, such approval not to be unreasonably withheld, conditioned or delayed (except where Landlord would have sole discretion approval rights if the work relating to such change were an Alteration under the Lease or would delay the project schedule).

(a) **Tenant's Request For Changes**. If Tenant shall request changes to the Tenant Improvements ("**Changes**"), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form (a "**Change Request**"), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant's Representative. Landlord shall, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid from the TI Fund to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Landlord's Work will be Substantially Complete; provided Tenant shall be responsible for estimating its own architectural and engineering costs and delay. Any delay in the completion of Landlord's Work caused by a Change (whether longer or shorter than the estimates), including any suspension of Landlord's Work while any such Change is being evaluated and/or designed, shall be Tenant Delay. No deduction from the rentable square footage of the Premises for purposes of determination

of the Base Rent payable under the Lease, which would otherwise apply under the Lease, shall be made as a result of any vertical penetrations or other modifications required by or as a part of such Change.

(b) **Implementation of Changes**. If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Landlord's Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Tenant of any estimate of the delay caused by such proposed Change, the Landlord's architect's determination of the amount of Tenant Delay in connection with such Change shall be final and binding on Landlord and Tenant.

5. **Costs**.

(a) **Budget For Tenant Improvements**. Before the commencement of construction of the Tenant Improvements, Landlord shall obtain a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (the "**Budget**"). The Budget shall be based upon the TI Construction Drawings approved by Landlord and Tenant and shall include a payment to Landlord of administrative rent ("**Administrative Rent**") equal to 3% of the total hard and soft costs of the Tenant Improvements and Changes for monitoring and inspecting the construction of the Tenant Improvements and Changes, which sum shall be payable from the TI Fund (as defined in Section 5(d)). In addition, Administrative Rent also shall include, without limitation, all reasonable and actual out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Changes, and shall be payable out of the TI Fund. If the Budget is greater than the TI Allowance, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements or Changes, for disbursement by Landlord as described in Section 5(d). Any and all costs to inspect, monitor, supervise, remediate, contain or encapsulate any Hazardous Materials as part of Landlord's Work shall be paid at Landlord's sole cost and expense.

(b) **TI Allowance**. Landlord shall provide to Tenant a tenant improvement allowance (collectively, the "**TI Allowance**") as follows:

(i) a "**Tenant Improvement Allowance**" in the maximum amount of $200.00 per rentable square foot of the Premises, being $20,124,800 in the aggregate (subject to adjustment as set forth in the definition of Rentable Area of Premises), which is included in the Base Rent set forth in the Lease; and

(ii) a "**Supplemental Tenant Improvement Allowance**" in the maximum amount of $50.00 per rentable square foot of the Premises, being $5,031,200 in the aggregate, which shall, to the extent used (subject to adjustment as set forth in the definition of Rentable Area of Premises), result in the adjustment to the Base Rent as set forth in the Lease.

Before Landlord commences Landlord's Work, Tenant shall notify Landlord in writing whether and how much of the Supplemental Tenant Improvement Allowance Tenant has elected to receive from Landlord. Such election shall be final and binding on Tenant, and may not thereafter be modified without Landlord's consent, which may be granted or withheld in Landlord's sole and absolute discretion. The TI Allowance shall be disbursed in accordance with this Work Letter. Any unused portion of the TI Allowance shall be forfeited and shall cease to be available to Tenant after a period of 18 months following the Commencement Date. Tenant shall have the right to use and apply the TI Allowance only toward hard and soft construction costs of the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d), including, but not limited to, any architectural and engineering fees, design, permits, electrical power and other utilities, the cost of preparing the TI Design Drawings and the TI Construction Drawings, costs resulting from Tenant Delays and the cost of Changes, costs set forth in the Budget, including Landlord's Administrative Rent, and Landlord's out-of-pocket expenses (collectively, "**TI Costs**"); provided, however, Tenant shall have no right to the use or benefit of any portion of the TI Allowance for any other purpose (including the reduction or payment of Base Rent, the cost of any personal property or other non-Building system materials or equipment, including, but not limited to, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements).

In addition to the TI Allowance, Tenant shall be entitled to an allowance of $0.12 per rentable square foot of the Premises, being $12,074.88 in the aggregate (the "**Space Planning Allowance**") to be used and applied only for the costs and expenses of preparing the TI Design Drawings. Following completion and approval of the TI Design Drawings and receipt by Landlord receipts evidencing payment by Tenant to the architect for the TI Design Drawings and such other certificates or materials as Landlord may reasonably require, Landlord will reimburse to Tenant the lesser of the amount of such paid receipts or the unused amount of the Space Planning Allowance. As of the date of the Lease, Tenant acknowledges that Landlord has disbursed the entire Space Planning Allowance to Tenant and has no further obligation hereunder.

(c) **Costs Includable in TI Fund.** The TI Fund shall be used solely for the payment of TI Costs.

(d) **Excess TI Costs**. Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance. If at any time the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall be responsible for 100% of the TI Costs in excess of the TI Allowance ("**Excess TI Costs**") as set forth below. In connection with each of Landlord's payments to the general contractor or others for the Tenant Improvements, Tenant shall promptly (but in no event later than 10 business days after requisition from Landlord) pay Landlord for the portion of such payment attributable to Excess TI Costs, being the amount of such payment multiplied by a fraction, the numerator of which is the total remaining Excess TI Costs and the denominator of which is the total remaining TI Allowance. If Tenant fails to timely pay Landlord any installment of any Excess TI Costs, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the "**TI Fund**." Installments of funds due and deposited by Tenant shall be the first disbursed to pay Excess TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. If upon completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, then Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

6. **Tenant Access**.

(a) **Tenant's Access Rights**. Landlord hereby agrees to permit Tenant access, at Tenant's sole risk and expense, to the Building (i) in advance of the Commencement Date as indicated on Landlord's project schedule to perform any work ("**Tenant's Work**") required by Tenant other than Landlord's Work, provided that such Tenant's Work is coordinated with the TI Architect and the general contractor, and complies with the Lease and all other reasonable restrictions and conditions Landlord may impose, and (ii) prior to the completion of Landlord's Work, to inspect and observe work in process; all such access shall be during normal business hours or at such other times as are reasonably designated by Landlord. Notwithstanding the foregoing, Tenant shall have no right to enter onto the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance reasonably required by Landlord in connection with such pre-commencement access (including, but not limited to, any insurance that Landlord may require pursuant to the Lease) is in full force and effect. Any entry by Tenant shall comply with all established safety practices of Landlord's contractor and Landlord until completion of Landlord's Work and acceptance thereof by Tenant.

(b) **No Interference**. Neither Tenant nor any Tenant Party (as defined in the Lease) shall interfere with the performance of Landlord's Work, nor with any inspections or issuance of final approvals by applicable Governmental Authorities, and upon any such interference, Landlord shall have the right to exclude Tenant and any Tenant Party from the Premises and the Project until Substantial Completion of Landlord's Work.

(c) **No Acceptance of Premises**. The fact that Tenant may, with Landlord's consent, enter into the Project prior to the date Landlord's Work is Substantially Complete for the purpose of performing Tenant's Work shall not be deemed an acceptance by Tenant of possession of the Premises, but in such event Tenant shall defend with counsel reasonably acceptable by Landlord, indemnify and hold Landlord harmless from and against any loss of or damage to Tenant's property, completed work, fixtures, equipment, materials or merchandise, and from liability for death of, or injury to, any person, caused by the act or omission of Tenant or any Tenant Party.

7. **Miscellaneous**.

(a) **Miscellaneous Charges**. Tenant shall not be charged for freight elevators, security, access to loading docks, parking, utilities, or temporary HVAC during construction of the Tenant Improvements or Tenant's move into the Building, provided that said activities occur during normal Building hours.

(b) **Consents**. Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(c) **Modification**. No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

(d) **No Default Funding**. In no event shall Landlord have any obligation to fund any portion of the TI Allowance or to perform any Landlord's Work during any period that Tenant is in Default under the Lease.

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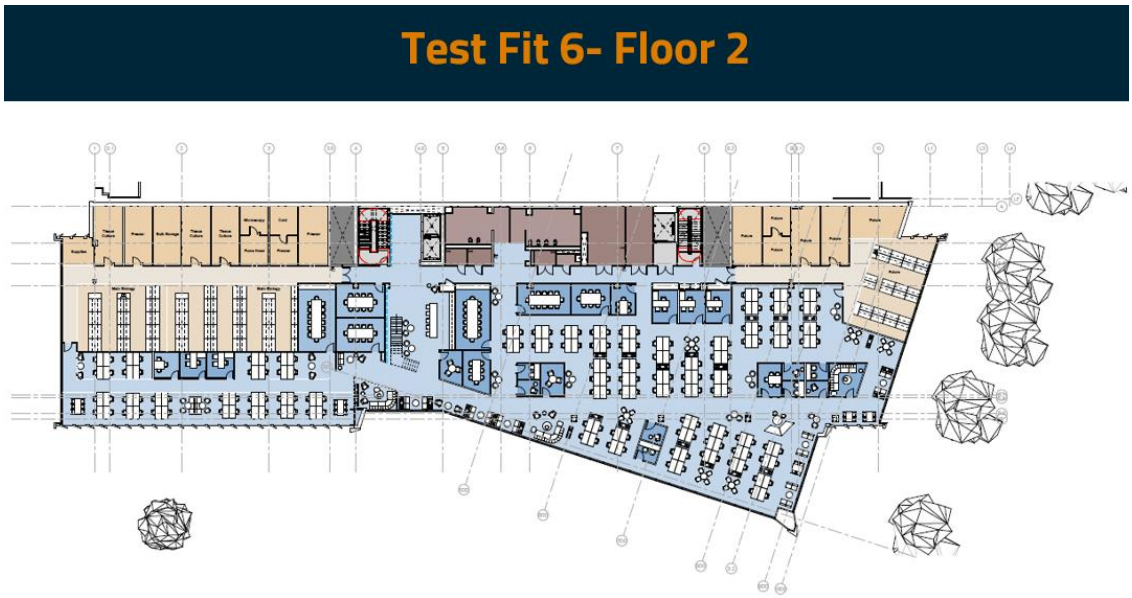
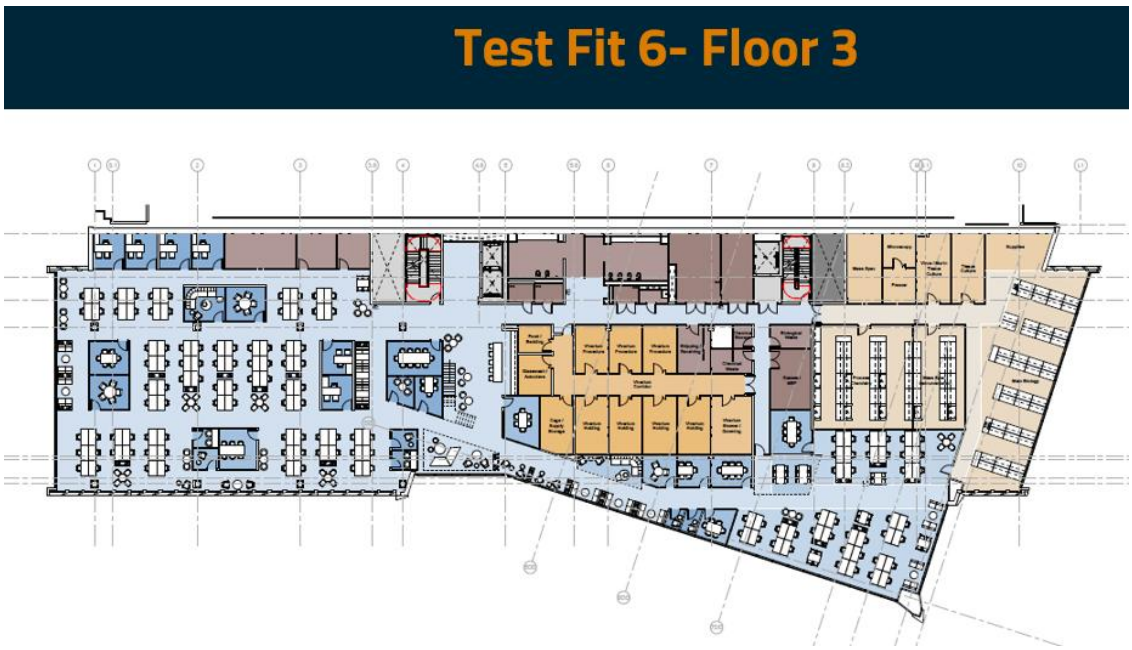
SCHEDULE 1

Approved TI Design Drawings

AOTC Building 1, 2nd floor

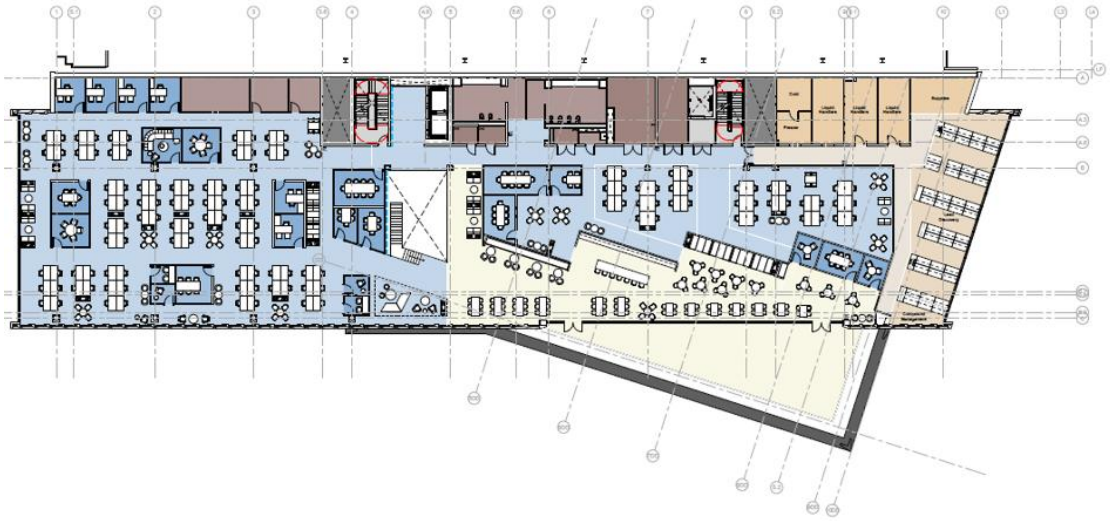


AOTC Building 1, 3rd floor



AOTC Building 1, 4th floor

Test Fit 6- Floor 4



SCHEDULE 2

Work Matrix

[Attached]

ARSENAL ON **THE** CHARLES - BUILDING NO. **1** LANDLORD/TENANT RESPONSIBILITY MATRIX - DRAFI'	Landlord	Tenant	Landlord (at Tenant's Expense)
GENERAL			
The Core & Shell shall be certified by the USGBC at a minimum of LEED Gold	X		
The Tenant Improvements shall be certified by the USGBC at a minimum of LEED Silver		X	
At grade parking spaces at a ratio of 2.0 cars per 1,000 RSF leased	X		
Changes to the Core & Shell scope to meet FM Global (or equal) requirements			X
The Core & Shell third-party commissioning to meet LEED Enhanced Commissioning requirements	X		
The Tenant third-party commissioning to meet LEED Enhanced Commissioning requirements		X	
SITEWORK			
Perimeter sidewalks, street curbs, miscellaneous site furnishings, and landscaping	X		
Telephone service, from local exchange carrier, to the Core & Shell main demarcation room for Core & Shell and Tenant Premises connections.	X		
Domestic sanitary sewer connection to the Core & Shell	X		
Roof storm drainage	X		
Electrical service for the Core & Shell and anticipated Tenant Premises loads	X		
Natural gas service for the Core & Shell needs	X		
Natural gas service for the Tenant Premises needs		X	
Domestic water service to the Core & Shell	X		
Fire protection water service to the Core & Shell	X		
LANDSCAPING			
Complete site and civil improvements package, including design and installation	X		
Site landscaping, including design and installation	X		
STRUCTURE			
Reinforced composite concrete slabs-on-metal deck with 100 psf live load capacity in the Tenant Premises	X		
Reinforced composite concrete slabs-on-metal deck with 100 psf live load capacity in the Core & Shell Common Areas	X		
Reinforced composite concrete slabs-on-metal deck with 150 psf loading capacity in the Core & Shell mechanical penthouse	X		
100 PSF load capacity at the penthouse roof at areas designated for Tenant roof top equipment	X		
250 PSF load capacity at the loading dock	X		
Concrete containment curbs at mechanical penthouse walls and shafts	X		
Containment curbs in Tenant Premises to support Tenant program		X	
Structural enhancements for specific Tenant Premises and program load requirements.			X
Structural floor designed to meet peak vibration criterion of 8,000 micro inches per second at 75 spm	X		
Structural reinforcing to meet vibration criterion required by Tenant			X
Typical Floor to floor height of: 20'-0" at Level 1 15'-0" at Levels 2-4 20'-0" at Penthouse	X		
Proposed column bay spacing: 33'-0" N-S and 30'-0" + 50'-4 1/2" E-W, typical	X		
Structural framing dunnage above the roof for the Core & Shell equipment	X		
Structural framing dunnage above the roof for Tenant equipment, subject to Landlord review and approval			X
Framed openings for the Core & Shell utility risers	X		
Framed openings, within pre-allocated Core & Shell areas, for Tenant utility risers	X		
Framed openings, beyond what the Core & Shell is providing within pre-allocated Core & Shell areas, for the Tenant, subject to Landlord review and approval			X
Miscellaneous metals and/or concrete pads for the Core & Shell equipment	X		
Miscellaneous metals items and/or concrete pads for the Tenant equipment		X	
ROOFING			
Single-ply TPO roofing system with protection board, rigid insulation, AVB, and 20 year warranty	X		
Roofing penetrations for the Core & Shell equipment	X		
Roofing penetrations for the Tenant equipment, installed by Core & Shell roofing subcontractor. Penetrations subject to Landlord review and approval.			X

Walkway pads to the Core & Shell equipment	X		
Walkway pads to the Tenant equipment			X
Roofing alterations driven by approved Tenant requested modifications to the Core & Shell, installed by the Core & Shell roofing subcontractor			X

ARSENAL ON **THE** CHARLES - BUILDING NO. **1** LANDLORD/TENANT RESPONSIBILITY MATRIX - DRAFI'	Landlord	Tenant	Landlord (at Tenant's Expense)
EXTERIOR			
The Core & Shell exterior (note: the Core & Shell fac;:ade is currently being designed and will be consistent with a Class A building typical to the local market and sustainability goals)	X		
The Core & Shell accessible entrances	X		
Building mounted signage and/or ground mounted exterior signage in accordance with City of Watertown rules and regulations and the Lease, subject to Landlord review and approval.	X		
Penthouse enclosure for tenant equipment	X		
Penthouse enclosure for Core Shell equipment	X		
Rooftop Screen for Core and Shell rooftop equipment	X		
Rooftop Screen for the Tenant rooftop equipment	X		
COMMON AREAS			
Accessible Core & Shell entrances	X		
Egress corridors on multi-tenant floors	X		
First floor finished lobby, consistent with a Class A building typical to the local market	X		
Toilet rooms in Building Core, consistent with a Class A building typical to the local market	X		
Finishes in the Core & Shell Common areas	X		
Code required interior signage for the Core & Shell areas	X		
Maintenance closets in the Core & Shell areas	X		
Electrical rooms in the Core & Shell areas for Core & Shell equipment and Tenant sub meters	X		
The Core & Shell Tel Data Demarcation room (MPOE)	X		
Pathway from the Core & Shell demarcation room to the Core & Shell IDF rooms on each floor	X		
Tenant IDF rooms within Tenant Premises		X	
Tenant low voltage infrastructure from the Core & Shell Demarcation room (MPOE) to Tenant IDF rooms and distribution to Tenant Premises		X	
Doors, frames, and hardware at the Core & Shell areas	X		
Doors, frames, and hardware at the Tenant Premises		X	
ELEVATORS			
Two (2) passenger elevators, serving levels 1-4. The elevator will have 3,500 lb. capacity,350 FPM, and 3'6" wide opening.	X		
One (1) service elevator serving every floor including the penthouse. Elevator will have 5,000 lb. capacity, 350 FPM, 4'-6" wide door opening.	X		
Modifications to the Core & Shell elevators to accommodate Tenant requirements			X
WINDOW TREATMENT			
Furnish and install the Core & Shell automated window treatment standard, including associated supports and blocking, in Tenant Premises; the standard window treatment is currently TBD.		X	
Solid surface window sills as applicable in Tenant Premises		X	
TENANT PREMISES			
Drywall and finishes at inside face of exterior walls		X	
Finishes at inside face at Tenant side of core partitions		X	
Toilet rooms within Tenant Premises		X	
Finishes in Tenant Mechanical rooms		X	
Electrical closets for Tenant program		X	
Tel/data rooms for Tenant program		X	
Tenant kitchen areas		X	
Modifications to the Core & Shell to accommodate Tenant requirements			X
Moisture mitigation measures at slabs in Tenant Premises		X	
Partitions, ceilings, flooring, painting, finishes, doors, frames, hardware, millwork, casework, and buildout in Tenant Premises		X	
Fixed or movable casework in Tenant Premises		X	
Laboratory equipment including, but not limited to, biosafety cabinets, autoclaves, glasswashers, bioreactors in Tenant Premises		X	
Chemical fume hoods, bench fume hood, lab casework in Tenant Premises		X	
Shaft enclosures for Core & Shell risers	X		
Shaft enclosures for Tenant risers within allocated space in the main vertical Core & Shell shafts		X	
Shaft enclosures for Tenant risers outside of the allocated space in the main vertical Core & Shell shafts, subject to Landlord approval.		X	

All interior signage for Tenant Premises		X	
Sound attenuation upgrades (interior and / or exterior) in order to comply with City of Watertown's acoustical criteria and design of Tenant Premises		X	
Upgrades to Tenant Mechanical rooms (solid partition enclosures; wall, ceiling and floor finishes; doors, frames and hardware)		X	

ARSENAL ON **THE** CHARLES - BUILDING NO. **1** LANDLORD/TENANT RESPONSIBILITY MATRIX - DRAFI'	Landlord	Tenant	Landlord (at Tenant's Expense)
FIRE PROTECTION			
Fire service entrance including fire department connection, alarm valve, and back flow protection	X		
Primary distribution and sprinkler heads adequate to support ordinary hazard (with upturned heads)	X		
All run outs, drop heads, and related equipment within Tenant Premises		X	
Modification to the Core & Shell Fire Protection system, including sprinkler piping and head locations, to suit Tenant layout and hazard index		X	
Specialized extinguishing systems		X	
Preaction dry-pipe systems (if required) within Core & Shell areas	X		
Preaction dry-pipe systems (if required) within Tenant Premises		X	
Fire extinguisher cabinets within Core & Shell areas	X		
Fire extinguisher cabinets within Tenant Premises		X	
Standpipes, distribution and hose connections within building common areas	X		
Additional hose connections within Tenant Premises, including distribution piping		X	
Fire Pump, if required	X		
PLUMBING			
Domestic water service with backflow prevention and Core & Shell risers	X		
Domestic water distribution within Tenant Premises, including reduced pressure backflow preventer		X	
Non-potable water risers for the Tenant use, including water booster system and reduced pressure backflow preventer	X		
Non-potable water distribution within Tenant Premises		X	
Core & Shell restroom plumbing fixtures compliant with accessibility requirements	X		
Tenant restroom plumbing fixtures compliant with accessibility requirements		X	
Wall hydrants within the Core & Shell areas (where required by code)	X		
Tenant metering and sub-metering at Tenant connection		X	
Storm drainage system	X		
Sanitary waste and vent service for the Core & Shell areas	X		
Sanitary waste and vent service for the Tenant Premises		X	
Sanitary ejector for Core & Shell fixtures that cannot drain by gravity	X		
Hot water generation for the Core & Shell restrooms	X		
Potable hot water generation for tenant spaces		X	
Laboratory waste system and risers. Lab waste and vent lines will be capped at each floor for Tenant connections.	X		
PH adjustment system	X		
Lab waste ejector system for 1st floor tenant or recessed pH adjustment system	X		
Tempered hot water distribution piping to pH neutralization system area eyewash/shower unit.	X		
Lab waste and vent pipe distribution serving Tenant Premises		X	
Sampling ports at laboratory waste lines prior to connection to building riser. Sampling port locations subject to Landlord's approval.		X	
Non-potable hot water generation for Tenant use		X	
Air compressor, risers, and pipe distribution		X	
Lab vacuum system, risers, and pipe distribution		X	
Tepid water generator and risers	X		
Tepid water pipe distribution and emergency fixtures for Tenant design including open end drain		X	
RO/DI water generator, risers pipe distribution, and reject routing to the point of connection.		X	
DI water generator, risers, pipe distribution wand reject routing to the point of connection.		X	
Manifolds, piping, and other requirements including cylinders, not specifically mentioned above		X	
OED at janitor closets for clear water waste	X		
NATURAL GAS			
Natural gas service to the Core & Shell	X		
Natural gas service, pressure regulator, and meter for Core & Shell gas needs	X		
Natural gas service, pressure regulator, and meter for Tenant gas needs		X	
Natural gas piping from Tenant meter to Tenant Premises		X	
Natural gas meter serving Tenant Premises		X	
Natural gas pipe distribution within Tenant Premises		X	
HEATING, VENTILATION, AIR CONDITIONING			
An air handling system sized to provide 100% outside air based on 1.4 CFM/USF for tenant areas	X		

Tenant fitout areas to utilize fan coils or chilled beams for space conditioning		X	
Humidification		X	
Gas fired condensing boilers to support the 100% outside air handling units and reheat coils	X		

ARSENAL ON THE CHARLES - BUILDING NO. 1 LANDLORD/TENANT RESPONSIBILITY MATRIX - DRAFI'	Landlord	Tenant	Landlord (at Tenant's Expense)
Chiller plant to provide chilled water for AHUs and terminal units (fan coils or chilled beams) on the floors	X		
Chilled water to floors sized for 500 SF/ton	X		
Vertical supply air duct distribution with horizontal take off through a smoke/fire damper at the Tenant connection point	X		
Air flow monitoring via building management system		X	
Supply and exhaust air duct distribution within Core & Shell areas	X		
Supply and exhaust air duct distribution with Tenant Premises		X	
Vertical exhaust air duct risers at the Tenant connection point	X		
Exhaust air duct distribution within Core & Shell areas	X		
Exhaust air duct distribution within Tenant Premises		X	
Specialty exhaust system for Tenant program		X	
Restroom exhaust for Core & Shell toilet rooms	X		
Restroom exhaust for bathrooms within the Tenant Premises		X	
Hot water pipe risers	X		
Hot water pipe distribution within Tenant Premises		X	
Hot water BTU meter within Tenant Premises		X	
Building Management System (BMS) for the Core & Shell	X		
BMS (compatible with Landlord's system and subject to Landlord review and approval) within Tenant Premises monitoring Tenant infrastructure		X	
Cooling system for the Core & Shell electrical closets	X		
Cooling system for electrical closets within Tenant Premises		X	
Sound attenuation for the Core & Shell infrastructure to comply with Watertown Noise Ordinance	X		
Sound attenuation for Tenant equipment to comply with Watertown Noise Ordinance		X	
Additional/ dedicated cooling equipment for Tenant requirements		X	
Chilled water pipe risers for Tenant use	X		
Chilled water pipe distribution within Tenant Premises		X	
ELECTRICAL			
Normal Power with capacity for Tenant Premises based on 12 watts/USF lab and 4 watts/USF of office area	X		
Standby Power (generator) with capacity for Tenant Premises based on **4** watts/RSF based on customary diversity measures	X		
Life Safety Power with battery back-up for all Core & Shell area emergency lighting/exit signage	X		
Life Safety Power with battery back-up for all Tenant area emergency lighting/exit signage		X	
Future standby generators for Tenant use (in addition to what is provided by the Core & Shell)		X	
Normal and standby power distribution within Tenant Premises		X	
Sound attenuation for the Core & Shell generator to comply with Watertown Noise Ordinance. Core & Shell generator provided with fuel tanks to support 12 hours of run time with a local agreement for 8 hour fuel service.	X		
480V normal power distribution for Tenant connection, unmetered	X		
Switchgear and panels for standby and life safety power on each floor are available for Tenant power connections.	X		
Switchgear and busway for Tenant tie-in with bus plug and check meter	X		
Lighting and power distribution for the Core & Shell areas	X		
Lighting and power distribution for Tenant Premises		X	
Lighting in Tenant Premises to be programmed to turn lights off at a certain time (time to be determined by Landlord)		X	
Tenant distribution panels, transformers, etc. in Tenant Premises to serve Tenant loads		X	
Electronic check metering for Tenant normal and standby power including reporting to the Core & Shell BMS system	X		
Lightning Protection System for the Tenant Premises (proper surge protection on Tenant equipment including protecting any circuits that extend up through the roof)		X	
Grounding Riser network and copper grounding bar on each level within the Core & Shell electrical room	X		
Grounding extension to and within the Tenant Premises		X	
FIRE ALARM			
Fire alarm system with devices within the Core & Shell areas	X		
Fire alarm expansion sub panels and devices for Tenant Premises with integration into the Core & Shell system		X	

Alteration/reprogramming to fire alarm system to facilitate Tenant program		X	
TELEPHONE/DAT A			
Underground local exchange carrier service to the Core & Shell demarcation room (MPOE)	X		
Tenant tel/data rooms		X	

Exhibit 10.13

ARSENAL ON THE CHARLES - BUILDING NO. 1 LANDLORD/TENANT RESPONSIBILITY MATRIX - DRAFI'	Landlord	Tenant	Landlord (at Tenant's Expense)
Pathways from the Core & Shell demarcation room (MPOE) to Core & Shell tel/data rooms	X		
Pathway from Core & Shell tel/data rooms to Tenant tel/data rooms		X	
Tel/Data cabling from demarcation room to intermediate distribution frame rooms		X	
Tel/Data cabling from demarcation room and/ or intermediate distribution frame rooms to Tenant tel/data room		X	
Tel/data infrastructure including, but not limited to, servers, computers, phone systems, switches, routers, MUX panels, equipment racks, ladder racks, etc.		X	
Provisioning of circuits and service from service providers		X	
Audio visual systems and support		X	
Cabling from Tenant tel/data room to all Tenant Premises		X	
Distributed Antenna System (DAS) for enhanced cellular coverage in Tenant Premises (Tenant DAS prescribed by Landlord)		X	
SECURITY			
Card access at the Core & Shell entries	X		
Card access into or within Tenant Premises on separate Tenant installed and managed system		X	
Video camera coverage of Tenant Premises on separate Tenant installed and managed system		X	

***Disclaimer: For the avoidance of doubt, it is understood that all wattages, pressures, volumes and other capacities referenced or specified* in this Landlord/Tenant Matrix are included only to specify the capacities for which the applicable systems are designed.**

Exhibit 10.13

EXHIBIT D

ACKNOWLEDGEMENT OF COMMENCEMENT DATE

This ACKNOWLEDGMENT OF COMMENCEMENT DATE is made as of this _____ day of _____, 202_, between ARE-MA REGION NO. 75, LLC, a Delaware limited liability company ("**Landlord**"), and _____, a _____ ("**Tenant**"), and is attached to and made a part of that certain Lease Agreement dated as of _____, 202_ (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is _____, 20__, the expiration date of the Base Term of the Lease shall be at 11:59 p.m. on _____, 20__, and the Base Rent Commencement Date is _____, 20__. In case of a conflict between the terms of the Lease and the terms of this Acknowledgment of Commencement Date, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

____,
a ___

By: _____
Name: ___
Title: ____

LANDLORD:

ARE-MA REGION NO. 75, LLC,
a Delaware limited liability company

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

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

By: _____
Name: _____
Title: _____

EXHIBIT E

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.

8. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project (except as permitted by the terms of this Lease).

9. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Building without Landlord's express written consent.

10. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

11. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.

12. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.

13. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

14. Tenant shall maintain the Premises free from rodents, insects and other pests.

15. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.

16. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

17. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

18. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

19. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

20. No auction, public or private, will be permitted on the Premises or the Project.

21. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

22. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

23. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

24. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

25. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

26. Tenant shall cause any vendors and other service providers hired by Tenant to perform services at the Premises or the Project to maintain in effect workers' compensation insurance as required by Legal Requirements and commercial general liability insurance with coverage amounts reasonably acceptable to Landlord. Tenant shall cause such vendors and service providers to name Landlord and Alexandria Real Estate Equities, Inc. as additional insureds under such policies and shall provide Landlord with certificates of insurance evidencing the required coverages (and showing Landlord and Alexandria Real Estate Equities, Inc. as additional insureds under such policies) prior to the applicable vendor or service provider providing any services to Tenant at the Project.

27. Neither Tenant nor any of the Tenant Parties shall have the right to photograph, videotape, film, digitally record or by any other means record, transmit and/or distribute any images, pictures or videos of all or any portion of the Premises or the Project, except to the extent such images, pictures or videos satisfy all of the following: (a) they are taken wholly within the Premises, (b) they do not show any identifiable buildings or signs located in the Project, (c) they do not show people other than Tenant's employees or others who have consented thereto, and (d) if such images, pictures or videos will be used for advertising and/or marketing purposes, then, prior to such use, they will be delivered to Landlord, and, at Landlord's request, will include a recognition or attribution to Landlord or a Landlord affiliate designed by Landlord (e.g., a statement on the image reading "Courtesy of Alexandria Real Estate Equities, Inc."). Such recognition or attribution will be subject to Landlord's reasonable approval.

28. Tenant shall regularly review the guidelines published by the Centers for Disease Control (CDC) and any federal, state and/or local governmental agencies, and will implement the practices and procedures suggested thereby, as well as industry standard best practices, to limit or prevent the spread or transmission of Infectious Conditions.

29. Without limiting Landlord's general right to amend, update, and implement new rules and regulations, Tenant acknowledges that Landlord has the right, but has no obligation, to implement additional rules and regulations relating to access to the Premises, the Building and/or the Project (including, without

limitation, the Amenities) that are intended to promote and protect health and physical well-being and/or prevent or limit the spread or transmission of Infectious Conditions.

Exhibit 10.13

EXHIBIT F

TENANT'S PERSONAL PROPERTY

None

Exhibit 10.13

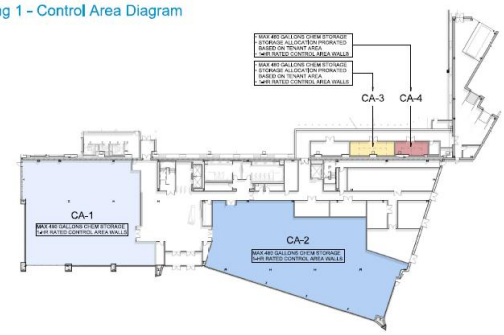
EXHIBIT G

CONTROL AREAS

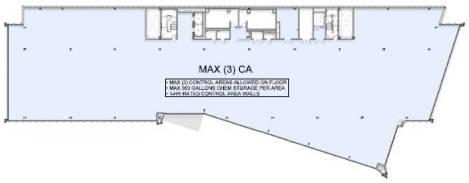
[Attached]

Alexandria Real Estate Equities, Inc.

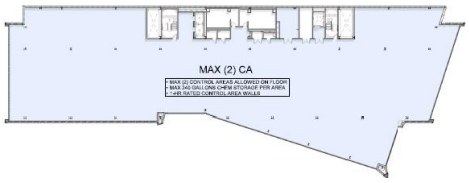
Building 1 - Control Area Diagram



1 Level 1 Control Area Diagram



2 Level 2 Control Area Diagram



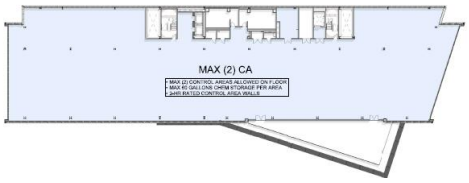


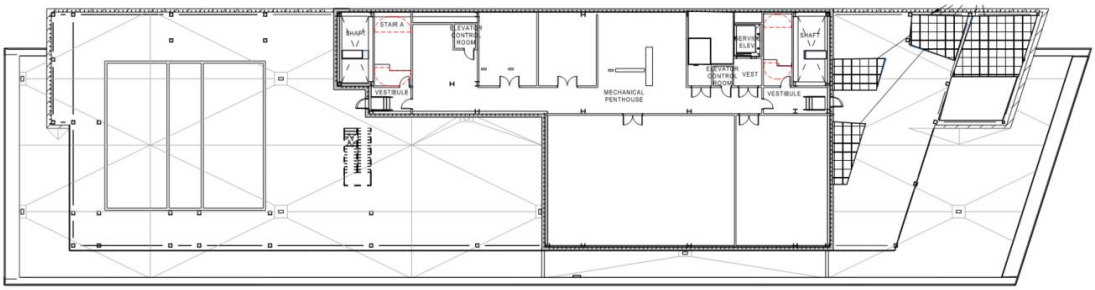
Exhibit 10.13

EXHIBIT H

DESIGNATED ROOFTOP AREA

Designated roof area

AOTC Building 1, Penthouse Level



AOTC Building 1, High Roof

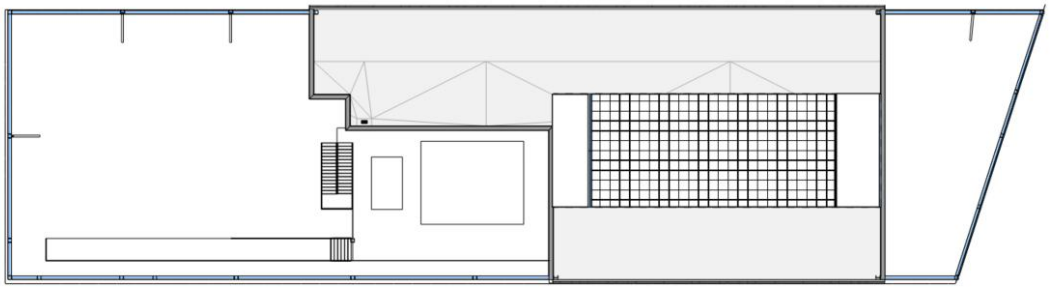


Exhibit 21.1

SUBSIDIARIES

Subsidiary	**Jurisdiction of Incorporation**
Kymera Securities Corporation	Massachusetts

ACTIVE/107610297.1

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-248249) pertaining to the Kymera Therapeutics, Inc. 2018 Stock Option and Grant Plan, Kymera Therapeutics, Inc. 2020 Stock Option and Incentive Plan, and Kymera Therapeutics, Inc. 2020 Employee Stock Purchase Plan,

(2) Registration Statement (Form S-8 No. 333-254122) pertaining to the Kymera Therapeutics, Inc. 2020 Stock Option and Incentive Plan and Amended and Restated Kymera Therapeutics, Inc. 2020 Employee Stock Purchase Plan,

(3) Registration Statement (Form S-3 No. 333-259955) of Kymera Therapeutics, Inc., and

(4) Registration Statement (Form S-8 No. 333-262947) pertaining to the Kymera Therapeutics, Inc. 2020 Stock Option and Incentive Plan and the Kymera Therapeutics, Inc. Amended and Restated 2020 Employee Stock Purchase Plan;

of our reports dated February 23, 2023, with respect to the consolidated financial statements of Kymera Therapeutics, Inc. and the effectiveness of internal control over financial reporting of Kymera Therapeutics, Inc. included in this Annual Report (Form 10-K) of Kymera Therapeutics, Inc. for the year ended December 31, 2022.

/s/ Ernst & Young LLP

Boston, Massachusetts
February 23, 2023

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Nello Mainolfi, Ph.D., certify that:

1. I have reviewed this Annual Report on Form 10-K of Kymera Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2023

By: /s/ Nello Mainolfi, Ph.D.
Nello Mainolfi, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce Jacobs, CFA, MBA, certify that:

1. I have reviewed this Annual Report on Form 10-K of Kymera Therapeutics, Inc.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2023

By: /s/ Bruce Jacobs, CFA, MBA
Bruce Jacobs, CFA, MBA
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Kymera Therapeutics, Inc. (the "Company") on Form 10-K for the period ending December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 23, 2023

By: /s/ Nello Mainolfi, Ph.D.

Nello Mainolfi, Ph.D.
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Kymera Therapeutics, Inc. (the "Company") on Form 10-K for the period ending December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 23, 2023

By: /s/ Bruce Jacobs, CFA, MBA

Bruce Jacobs, CFA, MBA
Chief Financial Officer
(Principal Financial Officer)